

Issue Supplement – Lion Series 2020-1 Trust

Dated 17 September 2020

Perpetual Corporate Trust Limited (ABN 99 000 341 533) in its capacity as trustee of the Lion Series 2020-1 Trust ("**Trustee**")

P.T. Limited (ABN 67 004 454 666) in its capacity as trustee of the Lion Series 2020-1 Security Trust ("**Security Trustee**")

HSBC Bank Australia Limited (ABN 48 006 434 162) ("**Manager**", "**Seller**" and "**Servicer**")

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Details

Parties		
Trustee	Name	Perpetual Corporate Trust Limited
	ABN	99 000 341 533
	Capacity	as trustee of the Lion Series 2020-1 Trust
	Address	Level 18 123 Pitt Street Sydney NSW 2000
	Email	Securitisations@perpetual.com.au
	Attention	Manager, Transaction Management, Debt Market Services
Security Trustee	Name	P.T. Limited
	ABN	67 004 454 666
	Capacity	as trustee of the Lion Series 2020-1 Security Trust
	Address	Level 18 123 Pitt Street Sydney NSW 2000
	Email	Securitisations@perpetual.com.au
	Attention	Manager, Transaction Management, Debt Market Services
Manager, Seller and Servicer	Name	HSBC Bank Australia Limited
	ABN	48 006 434 162
	Address	Level 36 100 Barangaroo Avenue Sydney NSW 2000
	Email	hsbcclionstrustmanager@hsbc.com.au
	Attention	Trust Manager
Governing law	New South Wales	

**Date of
document**

See Signing page

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General terms

1 Interpretation

1.1 Incorporated definitions

A term which has a defined meaning in the Master Definitions Schedule has the same meaning when used in this document unless it is expressly defined in this document, in which case the meaning in this document prevails.

A term defined in the Master Definitions Schedule by reference to a Trust (as defined in the Master Definitions Schedule) will, when used in this document, be taken to be defined by reference to the Trust (as defined in this document), unless the contrary intention appears.

1.2 Definitions

In this document, unless the contrary intention appears:

Accrued Interest Adjustment means, in respect of:

- (a) any Trust Receivable the subject of the Transfer Notice, all accrued but unpaid interest in respect of that Trust Receivable as at 5.00pm on the day immediately prior to the Closing Date; or
- (b) any Trust Receivable the subject of an Offer to Sell Back, all accrued but unpaid interest in respect of that Trust Receivable as at 5.00pm on the day immediately prior to the Settlement Date in respect of that Offer to Sell Back.

Aggregate Invested Amount means, on any day in respect of a Class of Notes, the aggregate of the Invested Amount of all of the Notes of that Class.

Aggregate Stated Amount means, on any day in respect of a Class of Notes, the aggregate of the Stated Amount of all of the Notes of that Class.

Arrears subsist in relation to a Trust Receivable if the relevant Obligor fails to pay any amount due under that Trust Receivable on the day it was due. Delayed payments arising from payment holidays based on early repayments (agreed in writing by the Seller), or from maternity or paternity leave repayment reductions, which are granted by the Seller or the Servicer will not, by themselves, lead to a Trust Receivable being in Arrears.

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

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

where:

A = the Arrears Ratio in respect of that Determination Date;

B = the aggregate Outstanding Principal Balance of all Trust Receivables which have been in Arrears for more than 90 consecutive days as at the last day of the Collection Period immediately preceding that Determination Date; and

C = the aggregate Outstanding Principal Balance of all Trust Receivables as at the last day of the Collection Period immediately preceding that Determination Date.

Authorised Investments means:

- (a) cash deposited in an interest bearing bank account in the name of the Trustee with an Eligible Bank;
- (b) any certificates of deposit or debt securities which:
 - (i) have at least the Required Credit Rating at the time of the acquisition of such investment by the Trustee;
 - (ii) mature (or be capable of being converted to immediately available funds in an amount at least equal to the aggregate outstanding principal amount of that investment plus any accrued interest) on or prior to the next date on which the proceeds from such Authorised Investments will be required to be applied in accordance with clause 9 (“Cashflow Allocation Methodology”);
 - (iii) are denominated in Australian Dollars; and
 - (iv) are held in the name of the Trustee,

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

Available Income means, in respect of any Determination Date and the immediately following Payment Date, the amount calculated in accordance with clause 9.2 (“Available Income”).

Available Liquidity Amount has the meaning set out in the Liquidity Facility Agreement.

Available Redraw Amount has the meaning set out in the Redraw Facility Agreement.

Average Arrears Ratio means, in respect of a Determination Date, the amount (expressed as a percentage) calculated as follows:

$$A = \frac{B}{3}$$

where:

A = the Average Arrears Ratio in respect of that Determination Date;

B = the sum of the Arrears Ratio for that Determination Date and the Arrears Ratios for the 2 Determination Dates immediately preceding that Determination Date.

Basis Swap means:

- (a) the basis swap transaction entered between the Trustee, the Manager and the Basis Swap Provider substantially on the terms set out in Annexure 5 of the Initial Derivative Contract; or

- (b) any replacement basis swap transaction entered into on such other terms as agreed between the Trustee, the Manager and the relevant Basis Swap Provider.

Basis Swap Provider means HSBC AU or such other person who may be appointed under a Derivative Contract in respect of the Trust to act as the Basis Swap Provider.

Call Option Date means each Payment Date following the Determination Date on which the Aggregate Invested Amount of all Notes is less than 10% of the aggregate of the Aggregate Invested Amount of all Notes on the Closing Date.

Call Option Offer has the meaning set out in clause 5.1 (“Procedure for exercise”).

Call Option Offer Amount has the meaning set out in clause 5.1 (“Procedure for exercise”).

Carryover Principal Charge-Off has the meaning set out in clause 9.10 (“Allocation of Principal Charge-Offs”).

Cashflow Allocation Methodology means the methodology specified in clause 9 (“Cashflow Allocation Methodology”).

Cashflow Support Facility means:

- (a) any Derivative Contract;
- (b) the Liquidity Facility Agreement; and
- (c) any other document which is from time to time agreed between the Trustee and the Manager to be a Cashflow Support Facility for the purposes of the Trust and in respect of which a Rating Notification has been given.

Class means a class of Notes.

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

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

Class A1 Refinancing Date means the Payment Date in September 2025 and each Payment Date thereafter.

Class A1-R Dealer Agreement has the meaning set out in clause 3.5(d) (“Refinancing of Class A1 Notes”).

Class A1-R Issue Date has the meaning set out in clause 3.5(d) (“Refinancing of Class A1 Notes”).

Class A1-R Note means any Note designated as a “Class A1-R Note” and which is issued in accordance with this document and the Note Deed Poll.

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

Class A2 Note means any Note designated as a “Class A2 Note” and which is issued in accordance with this document and the Note Deed Poll.

Class A2 Noteholder means a Noteholder of a Class A2 Note.

Class B Note means any Note designated as a “Class B Note” and which is issued in accordance with this document and the Note Deed Poll.

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

Class C Note means any Note designated as a “Class C Note” and which is issued in accordance with this document and the Note Deed Poll.

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

Class D Note means any Note designated as a “Class D Note” and which is issued in accordance with this document and the Note Deed Poll.

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

Class E Note means any Note designated as a “Class E Note” and which is issued in accordance with this document and the Note Deed Poll.

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

Class F Note means any Note designated as a “Class F Note” and which is issued in accordance with this document and the Note Deed Poll.

Class F Noteholder means a Noteholder of a Class F Note.

Class Margin has the meaning set out in the Conditions.

Closing Date means 22 September 2020, or such other date as notified by the Manager to the Trustee.

Co-Arranger means each party named as such in the Initial Dealer Agreement.

Collateral Support means, on any day:

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

Collection Period means the period from (and including) the first day of a calendar month to (and including) the last day of that calendar month, provided that the first Collection Period will commence on (and include) the Closing Date and will end on (and include) 31 October 2020.

Collections means, in respect of a Collection Period, all amounts received by, or on behalf of, the Trustee in respect of the Trust Receivables, including, without limitation:

- (a) all principal, interest and fees;
- (b) the proceeds received under any Mortgage Insurance Policy;
- (c) any proceeds recovered from any enforcement action in respect of a Trust Receivable;
- (d) any proceeds received on any sale or Reallocation of any Trust Receivable;

- (e) any amount received as damages in respect of a breach of any representation, warranty or covenant in connection with any Trust Receivable; and
- (f) any amounts paid by the Seller in accordance with clause 12.5 (“Gross-up for Offset Accounts”).

In respect of the first Collection Period it also includes (without double-counting), any Principal Adjustment paid by the Seller or the Transferor Trustee to the Trustee in accordance with clause 4.4 (“Adjustments”).

Conditions means the conditions set out in Schedule 1 of the Note Deed Poll.

Credit Provisions means, in respect of a Delinquent Receivable, the amount recognised as a potential loss for that Delinquent Receivable by the Servicer pursuant to its policies and procedures.

Dealer means each party named as such in a Dealer Agreement.

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

Delinquent Receivable means a Trust Receivable that is in Arrears for more than 90 consecutive days.

Derivative Contract means:

- (a) the Initial Derivative Contract; and
- (b) each other Derivative Contract (as defined in the Security Trust Deed) in respect of the Trust entered into by the Trustee provided that a Rating Notification has been given in respect of such Derivative Contract.

Designated Rating Agency means each of S&P and Fitch Ratings.

Details means the section of this document headed “Details”.

Determination Date means the day which is 4 Business Days prior to a Payment Date.

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

- (a) in respect of S&P:
 - (i) a long term credit rating of A; or
 - (ii) if the relevant entity does not have a long term credit rating from S&P, a short-term credit rating of A-1; and
- (b) in respect of Fitch Ratings, a long term credit rating of A or a short term credit rating of F1,

or such other credit ratings by the relevant Designated Rating Agency as may be notified by the Manager to the Trustee from time to time provided that a Rating Notification is given in respect of such other credit ratings.

Eligible Receivable means a Trust Receivable which satisfies the Eligibility Criteria on the Closing Date.

Eligibility Criteria means the criteria set out in Schedule 1 (“Eligibility Criteria”).

Event of Default has the meaning set out in clause 13.1 (“Events of Default”).

Excess Income Reserve Amount means, in respect of a Payment Date, an amount equal to:

$$A \times (100\% - B)$$

where:

A = the amount of Total Available Income available to be applied on that Payment Date under clause 9.8(v) (“Application of Total Available Income”); and

B = the then prevailing corporate tax rate (expressed as a percentage) applicable in Australia.

Excess Income Reserve Draw has the meaning set out in clause 9.3 (“Excess Income Reserve Draw”).

Extraordinary Expense means, in relation to a Collection Period, the aggregate of any out of pocket expenses properly and reasonably incurred by the Trustee in relation to the Trust in respect of that Collection Period which are not incurred in the ordinary course of business of the Trust.

Extraordinary Expense Reserve Draw has the meaning set out in clause 9.6 (“Extraordinary Expense Reserve Draw”).

Extraordinary Expense Reserve Provider means HSBC AU.

Extraordinary Expense Reserve Required Balance means A\$150,000.00.

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

Fixed Rate Swap means:

- (a) the fixed rate swap transaction entered between the Trustee, the Manager and the Fixed Rate Swap Provider substantially on the terms set out in Annexure 4 of the Initial Derivative Contract; or
- (b) any replacement fixed rate swap transaction entered into on such other terms as agreed between the Trustee, the Manager and the relevant Fixed Rate Swap Provider.

Fixed Rate Swap Provider means HSBC AU or such other person who may be appointed under a Derivative Contract to act as the Fixed Rate Swap Provider.

Further Advance means in relation to a Trust Receivable, any advance of further money to the relevant Obligor in respect of that Trust Receivable, but does not include any Redraw.

General Security Deed means the deed entitled “General Security Deed – Lion Series 2020-1 Trust” dated on or about the date of this document between the Trustee and others.

Housing Loan means a loan under a loan agreement secured by a Mortgage over residential Land.

HSBC AU means HSBC Bank Australia Limited (ABN 48 006 434 162).

Income Collections means, in relation to the Trust Receivables and a Collection Period, the aggregate of (without double counting):

- (a) all Collections in respect of that Collection Period which are in the nature of interest, income, fees or charges (as determined by the Servicer); plus
- (b) any Recoveries received by, or on behalf of, the Trustee during that Collection Period; plus
- (c) any other Collections that the Manager determines are of a similar nature and should be included as Income Collections.

Ineligible Product Change means, in respect of a Trust Receivable, any:

- (a) additional loan feature offered by the Seller from time to time with respect to other housing loans originated by the Seller;
- (b) alternative loan or mortgage product offered by the Seller from time to time; or
- (c) other variation to the terms of that Trust Receivable,

which, if applied to or made in respect of that Trust Receivable, would cause the Trust Receivable to not satisfy the Eligibility Criteria (if, for these purposes only, the Eligibility Criteria was applied to the Trust Receivable immediately following such change).

Initial Dealer Agreement means the document entitled “Dealer Agreement – Lion Series 2020-1 Trust” dated on or about the date of this document between the Trustee and others.

Initial Derivative Contract means the ISDA Master Agreement (including all Schedules and Annexures) dated on or about the date of this document between the Trustee and others.

Joint Lead Manager means each party named as such in a Dealer Agreement.

Liquidity Draw has the meaning set out in clause 9.5 (“Liquidity Draw”).

Liquidity Advance has the meaning set out in the Liquidity Facility Agreement.

Liquidity Facility Agreement means:

- (a) the document entitled “Liquidity Facility Agreement – Lion Series 2020-1 Trust” dated on or about the date of this document between the Trustee and others; and
- (b) any other document which the Trustee and the Manager agree is a “Liquidity Facility Agreement” in respect of the Trust provided that a Rating Notification has been given in respect of such document.

Liquidity Facility Provider means HSBC AU or such other person who may be identified in the Liquidity Facility Agreement as the liquidity facility provider.

Liquidity Shortfall (First) means, in respect of a Determination Date and the immediately following Payment Date, the amount (if positive) equal to:

A - B

where:

A = the Required Payments in respect of that Payment Date;

B = the Available Income in respect of that Determination Date.

If this calculation is negative, the Liquidity Shortfall (First) is equal to zero.

Liquidity Shortfall (Second) means, in respect of a Determination Date and the immediately following Payment Date, the amount (if positive) equal to:

$A - B - C$

where:

A = the Required Payments in respect of that Payment Date;

B = the Available Income in respect of that Determination Date;

C = the Excess Income Reserve Draw (if any) in respect of that Determination Date.

If this calculation is negative, the Liquidity Shortfall (Second) is equal to zero.

Liquidity Shortfall (Third) means, in respect of a Determination Date and the immediately following Payment Date, the amount (if positive) equal to:

$A - B - C - D$

where:

A = the Required Payments in respect of that Payment Date;

B = the Available Income in respect of that Determination Date;

C = the Excess Income Reserve Draw (if any) in respect of that Determination Date;

D = the Principal Draw (if any) in respect of that Determination Date.

If this calculation is negative, the Liquidity Shortfall (Third) is equal to zero.

LVR means loan to value ratio and in respect of a Trust Receivable is expressed as a percentage and calculated by dividing the Outstanding Principal Balance of the Trust Receivable as at the Cut-Off Date for that Trust Receivable by the value of the Land secured by the Mortgage as set out in any valuation report obtained prior to the Cut-Off Date or, in the absence of a valuation report, as determined by the Servicer in accordance with the Servicing Guidelines.

Manager Termination Event has the meaning set out in clause 17.2 (“Manager Termination Event”).

Master Definitions Schedule means the document entitled “Lion Series Master Definitions Schedule” dated 14 August 2020 between the Trustee and others.

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.

Note Deed Poll means the document entitled “Note Deed Poll - Lion Series 2020-1 Trust” dated on or about the date of this document and signed by the Trustee.

Notes means:

(a) the Class A1 Notes;

- (b) the Class A1-R Notes;
- (c) the Class A2 Notes;
- (d) the Class B Notes;
- (e) the Class C Notes;
- (f) the Class D Notes;
- (g) the Class E Notes; and
- (h) the Class F Notes,

as applicable.

Notice of Creation of Security Trust means the Notice of Creation of Security Trust dated 14 August 2020 in respect of the Security Trust.

Notice of Creation of Trust means the Notice of Creation of Trust dated 14 August 2020 in respect of the Trust.

Offset Account means a deposit account maintained by an Obligor with the Seller under which either:

- (a) interest that would otherwise be earned in respect of the deposit account is set off against interest due under the Trust Receivable of that Obligor; or
- (b) interest is not earned on the deposit account, but interest due under the Trust Receivable of that Obligor is calculated by deducting the credit balance of that deposit account from the balance of the Trust Receivable, and then applying the interest rate applicable to the Trust Receivable to the result.

Other Income means, in respect of a Collection Period, any miscellaneous income and other amounts (deemed by the Manager to be in the nature of income or interest) received by or on behalf of the Trustee during that Collection Period in respect of the Trust Assets, including income earned on Authorised Investments or the Collections Account but excluding any interest on or other income attributable to any Collateral Support in respect of that Collection Period. If any amounts which properly constitute Other Income are received by the Trustee with deductions for fees or expenses, only the net amount received by the Trustee will be classified as Other Income.

Overpayment means in respect of a Trust Receivable, any additional amounts of principal received above the regular Receivable Scheduled Payments due in respect of such Trust Receivable, paid by the relevant Obligor, which:

- (a) is permitted by the Receivable Terms; and
- (b) reduces the Outstanding Principal Balance of such Trust Receivable.

Payment Date means the 22nd day of each month, subject to the Business Day Convention. The first Payment Date occurs in November 2020.

Performing Receivable means a Trust Receivable that is not a Delinquent Receivable.

Prepayment Costs means any break fees or other additional amounts payable by an Obligor in respect of a Trust Receivable as a result of the Obligor prepaying any amount in respect of that Trust Receivable.

Prescribed Period means the period of 120 days after the Closing Date.

Principal Adjustment means, in respect of any Trust Receivable the subject of the Transfer Notice, an amount equal to all amounts (in the nature of principal) received by the Transferor Trust in respect of that Trust Receivable during the period from (but excluding) the Cut-Off Date specified in the Transfer Notice to (but excluding) the Closing Date.

Principal Charge-Off means, in respect of a Determination Date and the immediately following Payment Date, the amount (if any) by which the Principal Losses in respect of the immediately preceding Collection Period exceeds the amount available to be applied from Total Available Income on that Payment Date under clause 9.8(o) ("Application of Total Available Income").

Principal Collections means, in relation to the Trust Receivables and a Collection Period, the aggregate of (without double counting):

- (a) all Collections in respect of that Collection Period which are in the nature of principal (as determined by the Servicer) including all such Collections which constitute a repayment in respect of the Outstanding Principal Balance of any Trust Receivable; plus
- (b) any other Collections that the Manager determines are of a similar nature and should be included as Principal Collections,

but excludes any amount included as Income Collections in respect of that Collection Period.

Principal Draw has the meaning set out in clause 9.4 ("Principal Draw").

Principal Losses means, in respect of a Collection Period, the aggregate principal losses (as determined by the Servicer and notified to the Manager) for all Trust Receivables which arise during that Collection Period after all enforcement action has been taken in respect of any Trust Receivables and after taking into account:

- (a) all proceeds received as a consequence of enforcement under any Trust Receivables (less the relevant Enforcement Expenses);
- (b) any proceeds of any claims under a Mortgage Insurance Policy; and
- (c) any payments received from the Seller, the Servicer or any other person for a breach of its obligations under the Transaction Documents,

and **Principal Loss** has a corresponding meaning.

Receivable means, for the purposes of paragraph (b) of the definition of that term in the Master Definitions Schedule, a Housing Loan.

Receivable Scheduled Payment means in respect of a Trust Receivable, the amount which the applicable Receivable Terms require an Obligor to pay on a scheduled date in respect of that Trust Receivable.

Recoveries means amounts received from or on behalf of Obligors or under any Trust Related Security in respect of a Trust Receivable that was previously the subject of a Principal Loss.

Redraw means, in respect of a Trust Receivable, a re-advance by the Seller of some or all of the Overpayments that the relevant Obligor has paid on the Trust Receivable.

Redraw Advance has the meaning set out in the Redraw Facility Agreement.

Redraw Facility Agreement means:

- (a) the document entitled “Redraw Facility Agreement – Lion Series 2020-1” dated on or about the date of this document between the Trustee and others; and
- (b) any other document which the Trustee and the Manager agree is a “Redraw Facility Agreement” in respect of the Trust provided that a Rating Notification has been given in respect of such document.

Redraw Shortfall (Further) has the meaning set out in clause 7.2 (“Funding of Redraws”).

Redraw Shortfall (Initial) has the meaning set out in clause 7.2 (“Funding of Redraws”).

Repurchase Price means at any time in respect of a Trust Receivable the Outstanding Principal Balance of that Trust Receivable plus accrued interest and fees due and owing by the Obligor in respect of that Trust Receivable.

Required Credit Rating means in respect of:

- (a) S&P:
 - (i) for certificates of deposit or debt securities with remaining maturities at the time of purchase of less than or equal to 60 days, a short term credit rating by S&P of at least A-1;
 - (ii) for certificates of deposit or debt securities with remaining maturities at the time of purchase of more than 60 days, but less than or equal to 365 days, a short term credit rating by S&P of A-1+; and
- (b) Fitch Ratings:
 - (i) for certificates of deposit or debt securities with remaining maturities at the time of purchase of less than or equal to 30 days, a short term credit rating by Fitch Ratings of at least F1 or a long term credit rating by Fitch Ratings of at least A;
 - (ii) for certificates of deposit or debt securities with remaining maturities at the time of purchase of more than 30 days but less than or equal to 365 days, a short term credit rating by Fitch Ratings of F1+ or a long term credit rating by Fitch Ratings of at least AA-,

or such other credit ratings by the relevant Designated Rating Agency as may be notified by the Manager to the Trustee from time to time provided that a Rating Notification is given in respect of such other credit ratings.

Required Payments means, in respect of a Determination Date and the immediately following Payment Date, the aggregate of amounts payable on that Payment Date in accordance with clause 9.8(a) to clause 9.8(m) (“Application of Total Available Income”) (inclusive) but excluding:

- (a) if on that Determination Date the Stated Amount of the Class B Notes is less than the Invested Amount of the Class B Notes, the amounts payable on that Payment Date in accordance with clause 9.8(i) (“Application of Total Available Income”);
- (b) if on that Determination Date the Stated Amount of the Class C Notes is less than the Invested Amount of the Class C Notes, the amounts payable on that Payment Date in accordance with clause 9.8(j) (“Application of Total Available Income”);
- (c) if on that Determination Date the Stated Amount of the Class D Notes is less than the Invested Amount of the Class D Notes, the amounts payable on that Payment Date in accordance with clause 9.8(k) (“Application of Total Available Income”);
- (d) if on that Determination Date the Stated Amount of the Class E Notes is less than the Invested Amount of the Class E Notes, the amounts payable on that Payment Date in accordance with clause 9.8(l) (“Application of Total Available Income”); and
- (e) if either:
 - (i) on that Determination Date the Stated Amount of the Class F Notes is less than the Invested Amount of the Class F Notes; or
 - (ii) that Payment Date is after the first Call Option Date,
 the amounts payable on that Payment Date in accordance with clause 9.8(m) (“Application of Total Available Income”).

S&P means S&P Global Ratings Australia Pty Ltd (ABN 62 007 324 852).

Security Trust means the Lion Series 2020-1 Security Trust.

Security Trust Deed means the document entitled “Lion Series Master Security Trust Deed” dated 14 August 2020 between the Trustee and others.

Senior Obligations means:

- (a) the obligations of the Trustee in respect of principal and interest on the Class A1 Notes and the Class A1-R Notes and any obligations of the Trustee ranking equally or senior to the Class A1 Notes and the Class A1-R Notes (as determined in accordance with the order of priority set out in clause 9.8 (“Application of Total Available Income”)), at any time while the Class A1 Notes or Class A1-R Notes are outstanding;
- (b) the obligations of the Trustee in respect of principal and interest on the Class A2 Notes and any obligations of the Trustee ranking equally or senior to the Class A2 Notes (as determined in accordance with the order of priority set out in clause 9.8 (“Application of Total Available Income”)), at any time while the Class A2 Notes are outstanding but no Class A1 Notes or Class A1-R Notes are outstanding;
- (c) the obligations of the Trustee in respect of principal and interest on the Class B Notes and any obligations of the Trustee ranking equally or senior to the Class B Notes (as determined in accordance with the order of priority set out in clause 9.8 (“Application of Total Available Income”)), at any time while the Class B Notes are outstanding but no Class A1 Notes, Class A1-R Notes or Class A2 Notes are outstanding;

- (d) the obligations of the Trustee in respect of principal and interest on the Class C Notes and any obligations of the Trustee ranking equally or senior to the Class C Notes (as determined in accordance with the order of priority set out in clause 9.8 (“Application of Total Available Income”)), at any time while the Class C Notes are outstanding but no Class A1 Notes, Class A1-R Notes, Class A2 Notes or Class B Notes are outstanding;
- (e) the obligations of the Trustee in respect of principal and interest on the Class D Notes and any obligations of the Trustee ranking equally or senior to the Class D Notes (as determined in accordance with the order of priority set out in clause 9.8 (“Application of Total Available Income”)), at any time while the Class D Notes are outstanding but no Class A1 Notes, Class A1-R Notes, Class A2 Notes, Class B Notes or Class C Notes are outstanding;
- (f) the obligations of the Trustee in respect of principal and interest on the Class E Notes and any obligations of the Trustee ranking equally or senior to the Class E Notes (as determined in accordance with the order of priority set out in clause 9.8 (“Application of Total Available Income”)), at any time while the Class E Notes are outstanding but no Class A1 Notes, Class A1-R Notes, Class A2 Notes, Class B Notes, Class C Notes or Class D Notes are outstanding;
- (g) the obligations of the Trustee in respect of principal and interest on the Class F Notes and any obligations of the Trustee ranking equally or senior to the Class F Notes (as determined in accordance with the order of priority set out in clause 9.8 (“Application of Total Available Income”)), at any time while the Class F Notes are outstanding but no Class A1 Notes, Class A1-R Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes are outstanding; or
- (h) the obligations of the Trustee under the Transaction Documents generally, at any time while no Notes are outstanding.

Servicer Required Credit Rating means in respect of:

- (a) S&P, a short term rating of at least “A-2”; and
- (b) Fitch, a long term rating equal to or higher than BBB or a short term rating equal to or higher than F2,

or, in each case, such other ratings or counterparty risk assessment by the relevant Designated Rating Agency as may be notified by the Manager to the Trustee in writing from time to time, provided that the Manager has delivered a Rating Notification in respect of such other credit ratings or counterparty risk assessment.

Servicer Termination Event has the meaning set out in clause 16.2 (“Servicer Termination Event”).

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 Principal Charge-Offs allocated to that Note under clause 9.10 (“Allocation of Principal Charge-Offs”) prior to that time which have not been reimbursed on or before that time under clause 9.11 (“Re-instatement of Carryover Principal Charge-Offs”).

Subordination Conditions has the meaning set out in clause 9.14 (“Subordination Conditions”).

Tax Account means an account with an Eligible Bank established and maintained in the name of the Trustee and in accordance with the terms of the Master Trust Deed, which is to be opened by the Trustee when directed to do so by the Manager in writing.

Tax Amount means, in respect of a Payment Date, the amount (if any) of Tax that the Manager reasonably determines will be payable in the future by the Trustee in respect of the Trust and which accrued during the immediately preceding Collection Period.

Tax Shortfall means, in respect of a Payment Date, the amount (if any) determined by the Manager to be the shortfall between the aggregate Tax Amounts determined by the Manager in respect of previous Payment Dates and the amounts set aside and retained in the Tax Account on previous Payment Dates.

Threshold Rate means the aggregate of:

- (a) the weighted average rate required to be set on the Trust Receivables which will ensure that the Trustee has sufficient funds available to at least meet the Required Payments in full (assuming that all parties comply with their obligations under the Transaction Documents and such Trust Receivables) and taking into account Trust Receivables where the Trustee or the Servicer does not have the discretion under the Receivables Terms to vary the interest rate of that Trust Receivable and any corresponding Derivative Contracts and moneys held in Authorised Investments; and
- (b) 0.25%.

Total Available Income means, in respect of a Determination Date and the immediately following Payment Date, the amount calculated in accordance with clause 9.7 (“Total Available Income”).

Total Available Principal means, in respect of a Determination Date and the immediately following Payment Date, the amount calculated in accordance with clause 9.1 (“Total Available Principal”).

Transaction Documents means, in respect of the Trust:

- (a) each “Transaction Document” (as defined in the Master Definitions Schedule) in respect of the Trust;
- (b) the Redraw Facility Agreement; and
- (c) any other document which the Trustee and the Manager agree is a “Transaction Document” for the purposes of this document and the Trust from time to time and in respect of which a Rating Notification has been given.

Transfer Notice means the Transfer Notice (as defined in the Master Definitions Schedule) dated prior the Closing Date from the Transferor Trustee to the Trustee (and the Manager).

Trust means the Lion Series 2020-1 Trust.

Trust Expenses means all costs, charges and expenses reasonably and properly incurred by the Trustee in connection with the Trust and the Transaction

Documents and any other amounts for which the Trustee is entitled to be reimbursed or indemnified out of the Trust Assets (but excluding any amount of a type otherwise referred to in clause 9.8 (“Application of Total Available Income”) or clause 9.9 (“Application of Total Available Principal”).

Trust Receivable means, at any time, a Receivable which is then, or is then immediately to become, a Trust Asset and includes any Trust Related Security in respect of that Receivable.

Trust Related Security means, at any time, a Related Security which is then, or is then immediately to become, a Trust Asset.

Voting Secured Creditors has the meaning set out in clause 2.13 (“Voting Secured Creditors”).

1.3 General

Clauses 1.1 (“Definitions”) to 1.5 (“Capacity”) of the Master Definitions Schedule and clause 6.1 (“Awareness of certain events”) of the Security Trust Deed apply to this document.

1.4 References to ratings

A reference in a Transaction Document to any credit rating of an entity by Fitch includes the private credit rating of that entity.

2 Trust characteristics

2.1 Rating

The Trust will be a Rated Trust on the issue of the Notes on the Closing Date.

Only the Notes referred to in clause 3.2(b)(iii) (“Conditions precedent”) are intended to be rated as at the Closing Date

2.2 Issue Supplement

This document is the Issue Supplement (as defined in the Master Definitions Schedule) in respect of the Trust.

2.3 Notice of Creation of Trust

The Notice of Creation of Trust (as defined in clause 1.2 (“Definitions”)) is the Notice of Creation of Trust (as defined in the Master Definitions Schedule) in respect of the Trust.

2.4 Notice of Creation of Security Trust

The Notice of Creation of Security Trust (as defined in clause 1.2 (“Definitions”)) is the Notice of Creation of Security Trust (as defined in the Master Definitions Schedule) in respect of the Trust.

2.5 General Security Deed

The General Security Deed (as defined in clause 1.2 (“Definitions”)) is the General Security Deed (as defined in the Master Definitions Schedule) in respect of the Trust.

2.6 Liquidity Facility Agreement

The Liquidity Facility Agreement (as defined in clause 1.2 (“Definitions”)) is the Liquidity Facility Agreement (as defined in the Master Definitions Schedule) in respect of the Trust.

2.7 Note Deed Poll

The Note Deed Poll (as defined in clause 1.2 (“Definitions”)) is the Note Deed Poll (as defined in the Master Definitions Schedule) in respect of the Trust.

2.8 Conditions

The Conditions (as defined in clause 1.2 (“Definitions”)) are the Conditions (as defined in the Master Definitions Schedule) in respect of the Trust.

2.9 Derivative Contract

The Initial Derivative Contract, the Fixed Rate Swap and the Basis Swap (each as defined in clause 1.2 (“Definitions”)) are Derivative Contracts (as defined in the Master Definitions Schedule) in respect of the Trust.

2.10 Dealer Agreement

The Initial Dealer Agreement and the Class A1-R Dealer Agreement (if any) (each as defined in clause 1.2 (“Definitions”)) are each a Dealer Agreement (as defined in the Master Definitions Schedule) in respect of the Trust.

2.11 Agency Agreement

There is no Agency Agreement or Agent in respect of the Trust.

2.12 Note Trust Deed

There is no Note Trust Deed or Note Trustee in respect of the Trust.

2.13 Voting Secured Creditors

- (a) For the purposes of clause 5.7 (“Voting Secured Creditors”) of the Security Trust Deed, there are Voting Secured Creditors for the Trust.
- (b) The “**Voting Secured Creditors**” in respect of the Trust are:
 - (i) for so long as any Class A1 Notes or Class A1-R Notes are outstanding, the Class A1 Noteholders and Class A1-R Noteholders, the Liquidity Facility Provider, the Redraw Facility Provider and each Derivative Counterparty;
 - (ii) if sub-paragraph (i) above does not apply, for so long as any Class A2 Notes are outstanding, the Class A2 Noteholders, the Liquidity Facility Provider, the Redraw Facility Provider and each Derivative Counterparty;
 - (iii) if none of sub-paragraphs (i) or (ii) above apply, for so long as any Class B Notes are outstanding, the Class B Noteholders, the Liquidity Facility Provider, the Redraw Facility Provider and each Derivative Counterparty;
 - (iv) if none of paragraphs (i), (ii) or (iii) above apply, for so long as any Class C Notes are outstanding, the Class C Noteholders, the Liquidity Facility Provider, the Redraw Facility Provider and each Derivative Counterparty;
 - (v) if none of paragraphs (i), (ii), (iii) or (iv) above apply, for so long as any Class D Notes are outstanding, the Class D Noteholders, the Liquidity Facility Provider, the Redraw Facility Provider and each Derivative Counterparty;
 - (vi) if none of paragraphs (i), (ii), (iii), (iv) or (v) above apply, for so long as any Class E Notes are outstanding, the Class E

Noteholders, the Liquidity Facility Provider, the Redraw Facility Provider and each Derivative Counterparty;

- (vii) if none of paragraphs (i), (ii), (iii), (iv), (v) or (vi) above apply, for so long as any Class F Notes are outstanding, the Class F Noteholders, the Liquidity Facility Provider, the Redraw Facility Provider and each Derivative Counterparty; and
- (viii) if none of sub-paragraphs (i), (ii), (iii), (iv), (v), (vi) or (vii) above apply, the remaining Secured Creditors.

3 Issue of Notes

3.1 Procedures for issue

The Trustee (acting on the direction of the Manager) will issue the following Notes on the Closing Date:

- (a) Class A1 Notes;
- (b) Class A2 Notes;
- (c) Class B Notes;
- (d) Class C Notes;
- (e) Class D Notes;
- (f) Class E Notes; and
- (g) Class F Notes,

each having an aggregate initial Invested Amount as notified by the Manager to the Trustee on or prior to the Closing Date.

3.2 Conditions precedent

The obligation of the Trustee to issue the Notes referred to in clause 3.1 ("Procedures for issue") on the Closing Date is subject to:

- (a) the Manager confirming to the Trustee that the conditions precedent set out in clause 9.1(a) ("Conditions Precedent") of the Initial Dealer Agreement have been satisfied (or otherwise waived by the Dealers); and
- (b) receipt by the Manager of each of the following (in a form and substance satisfactory to the Manager):
 - (i) a copy of each executed Transaction Document;
 - (ii) a transaction opinion and a taxation opinion from King & Wood Mallesons;
 - (iii) confirmation from the relevant Designated Rating Agency that:
 - (A) the Class A1 Notes have been assigned a rating of AAA(sf) by S&P and AAAsf by Fitch Ratings;
 - (B) the Class A2 Notes have been assigned a rating of AAA(sf) by S&P and AAAsf by Fitch Ratings;

- (C) the Class B Notes have been assigned a rating of at least AA(sf) by S&P;
- (D) the Class C Notes have been assigned a rating of at least A(sf) by S&P;
- (E) the Class D Notes have been assigned a rating of at least BBB(sf) by S&P;
- (F) the Class E Notes have been assigned a rating of at least BB(sf) by S&P,

or such other ratings as notified by the Manager to the Trustee prior to the Closing Date.

3.3 Excluded Issue

The Manager must only direct the Trustee to issue Notes if:

- (a) the offer or invitation giving rise to the issue is not:
 - (i) an offer or invitation which requires disclosure to investors under Part 6D.2 of the Corporations Act; or
 - (ii) an offer or invitation to a “retail client” for the purposes of Chapter 7 of the Corporations Act; and
- (b) the issue complies with any applicable law or directive of the jurisdiction where it takes place.

The Trustee must only issue Notes in accordance with the Manager’s direction.

3.4 Further Notes

The Manager must not direct the Trustee to issue any Notes after the Closing Date, other than Class A1-R Notes issued in accordance with clause 3.5 (“Refinancing of Class A1 Notes”).

3.5 Refinancing of Class A1 Notes

- (a) Prior to the Determination Date immediately preceding the first Class A1 Refinancing Date, the Manager agrees to use its reasonable endeavours to arrange, on behalf of the Trustee, the marketing and issuance of Class A1-R Notes, in accordance with the remainder of this clause 3.5.
- (b) If the Manager is unable to arrange for the issuance of Class A1-R Notes on the first Class A1 Refinancing Date in accordance with clause 3.5(a), the Manager may (at its discretion), in respect of any subsequent Class A1 Refinancing Date, arrange, on behalf of the Trustee, the marketing and issuance of Class A1-R Notes, in accordance with the remainder of this clause 3.5.
- (c) The Manager may, at its cost, appoint such advisors, arrangers or dealers as it sees fit to assist with the marketing and issuance of the Class A1-R Notes.
- (d) If the Manager is able to arrange for Class A1-R Notes to be issued by the Trustee on a Class A1 Refinancing Date (such date being the “**Class A1-R Issue Date**”):
 - (i) with a Class Margin:

- (A) which is less than the aggregate of:
 - (aa) the Class Margin for the Class A1 Notes; plus
 - (ab) 0.25%; and
 - (B) in respect of which the Manager has given a Rating Notification;
- (ii) with the same credit rating from each Rating Agency as the Class A1 Notes on the Class A1-R Issue Date;
 - (iii) with an aggregate initial Invested Amount equal to the Invested Amount of the Class A1 Notes as at the relevant Class A1 Refinancing Date (after taking into account any principal repayments to be made under clause 9.9 (“Application of Total Available Principal”) on that day (plus any additional amount necessary for parcels of Class A1-R Notes to be issued);
 - (iv) with a new dealer agreement (the “**Class A1-R Dealer Agreement**”) to be entered into in respect of such issuance; and
 - (v) in accordance with the public offer test outlined in Section 128F of the Income Tax Assessment Act 1936,

the Manager will direct the Trustee in writing (copied to each Designated Rating Agency) to issue those Class A1-R Notes on the relevant Class A1-R Issue Date.

- (e) The Trustee (at the direction of the Manager) must give the Noteholders of the Class A1 Notes not less than 7 days’ notice of the proposed redemption of the Class A1 Notes on the relevant Class A1-R Issue Date (where the relevant Class A1-R Issue Date is not the first Class A1 Refinancing Date).
- (f) On the Class A1-R Issue Date, the Trustee must use the proceeds of the Class A1-R Note issuance into the Collections Account and apply such proceeds on the Class A1-R Issue Date towards redeeming the Class A1 Notes in full, with any surplus proceeds to be included as Total Available Principal for the Determination Date immediately following the Collection Period in which the Class A1-R Issue Date occurs.
- (g) For the avoidance of doubt, the Trustee may not issue Class A1-R Notes (and the Manager must not direct the Trustee to issue Class A1-R Notes) unless the issue proceeds of those Class A1-R Notes are sufficient (after taking into account any principal repayments to be made under clause 9.9 (“Application of Total Available Principal”)) to redeem the Class A1 Notes in full and the conditions under clause 3.5(d) are satisfied.
- (h) If the Call Option Date has occurred, or is expected to occur on the relevant Class A1 Refinancing Date, the obligations of the Manager under clause 3.5(a) or the exercise by the Manager of its rights under clause 3.5(b) (as applicable) are subject to the provisions of clause 5 (“Call option”).

4 Acquisition of Trust Receivables

4.1 Use of Note proceeds

The Trustee must, as directed by the Manager, use the proceeds of the Notes issued on the Closing Date to fund the acquisition of Trust Receivables from the Transferor Trustee in accordance with the Transfer Notice and Transfer Deed on the Closing Date.

If there are any surplus proceeds of issue of such Notes over the amount required to fund such acquisition of Trust Receivables, such surplus must be applied as Total Available Principal on the first Payment Date following the Closing Date.

4.2 Manager certification

The Manager certifies to the Trustee on the Closing Date that (to the best of its knowledge and belief) each Trust Receivable referred to in the Transfer Notice is an Eligible Receivable on the Closing Date.

In providing this certification the Manager is not required to investigate whether any Trust Receivable satisfies the Eligibility Criteria.

4.3 No investigation

The Trustee is not required to investigate whether any Trust Receivable satisfies the Eligibility Criteria and is not liable to any person in any manner whatsoever if any Trust Receivable does not satisfy the Eligibility Criteria.

4.4 Adjustments

- (a) For the purposes of clause 3.7 (“Accrued Interest Adjustment”) of the Transfer Deed, the Accrued Interest Adjustment in respect of a Trust Receivable is payable by the Trustee to the Transferor Trustee on the first Payment Date following the Closing Date.
- (b) For the purposes of clause 3.8 (“Principal Adjustment”) of the Transfer Deed, the Principal Adjustment in respect of a Trust Receivable is payable by the Transferor Trustee to the Trustee on or prior to the first Determination Date following the Closing Date.

4.5 Closed pool

The Manager must not direct the Trustee to accept any Offer to Sell (as defined in the Master Definitions Schedule) or Transfer Notice (as defined in the Master Definitions Schedule) after the Closing Date.

5 Call Option

5.1 Procedure for exercise

- (a) At least 5 Business Days before any Call Option Date the Manager may direct in writing that the Trustee, and the Trustee upon receipt of such direction must, offer (“**Call Option Offer**”) to sell its right, title and interest in all (but not some only) of the Trust Receivables in favour of the Seller (or the Seller’s nominee) on that Call Option Date for an amount (“**Call Option Offer Amount**”) equal to (as at that Call Option Date) the Repurchase Price for such Trust Receivables.
- (b) Any offer under this clause 5 (“Call Option”) may be made:
 - (i) in accordance with clause 11 (“Offer to Sell Back”) of the Sale Deed; or

- (ii) on such other terms as the Trustee, the Manager and the Seller may agree from time to time.

5.2 Calculation

The Manager agrees to calculate the amount described in clause 5.1 (“Procedure for exercise”) and include such amount in its direction to the Trustee to make a Call Option Offer.

5.3 Application of Call Option Offer Amount

If the Call Option Offer is accepted:

- (a) the Trustee must apply the Call Option Offer Amount received by it in accordance with clause 9 (“Cashflow Allocation Methodology”) on the relevant Call Option Date on which the Call Option Offer is accepted; and
- (b) despite any inconsistency with any other provision of this document, all calculations under clause 9 (“Cashflow Allocation Methodology”) shall be made as if the Call Option Offer Amount had been received by the Trustee during the Collection Period immediately preceding the relevant Call Option Date on which the Call Option Offer is accepted.

5.4 Consent of Noteholders

If prior to directing the Trustee to give a Call Option Offer the Manager determines, in respect of a Call Option Date, that:

- (a) a Class of Notes have been issued and have not been redeemed in full on or before that Call Option Date; and
- (b) the Call Option Offer Amount (together with all other Total Available Principal available to be applied towards redeeming the relevant Class of Notes on that Call Option Date) is less than the amount which is sufficient to ensure that the Trustee can redeem the Aggregate Invested Amount (as at the Determination Date immediately preceding the Call Option Date) of that Class of Notes (plus all accrued but unpaid interest in respect of such Class of Notes) in full,

the Manager may direct the Trustee to seek the consent of the Noteholders of that Class of Notes (to be provided by way of an Extraordinary Resolution) to giving the relevant Call Option Offer. The Manager must not direct the Trustee to give that Call Option Offer unless such consent is provided.

6 Repurchase of Trust Receivables

6.1 Further Advances

- (a) The parties acknowledge that, in accordance with the Receivable Terms of a Trust Receivable, if an Obligor applies for a Further Advance, HSBC AU (as Seller and, if applicable at the relevant time, the Servicer) has an absolute right to agree to or to refuse to grant (on behalf of the Trustee) such Further Advance or to make an offer to an Obligor for a Further Advance.
- (b) HSBC AU (as the Seller and, if applicable at the relevant time, as the Servicer) must notify the Manager if it makes a Further Advance in relation to a Trust Receivable.
- (c) If HSBC AU notifies the Manager of a Further Advance in accordance with clause 6.1(b), the Manager must direct the Trustee to issue to the

Seller an Offer to Sell Back in accordance with the procedure set out in clause 6.1(d) unless another method of removing the relevant Trust Receivable as a Trust Asset of the Trust is agreed between the Trustee, the Seller and the Manager in accordance with clause 6.1(f).

- (d) An Offer to Sell Back issued by the Trustee under clause 6.1(c):
 - (i) must be for the Trust Receivable in respect of which the Further Advance was made (and any other Trust Receivables also secured by the relevant Trust Related Security) ("**Affected Receivables**");
 - (ii) must have a Settlement Amount that includes the Repurchase Price of the Affected Receivables; and
 - (iii) must specify as the Settlement Date a date that is no later than the Payment Date immediately following the last day of the Collection Period in which the Offer to Sell Back is given, or such later date as agreed between the Manager and the Seller (and notified by the Manager to the Trustee) and in respect of which a Rating Notification has been given.
- (e) The Seller:
 - (i) must accept an Offer to Sell Back issued by the Trustee under clause 6.1(c), by paying the Settlement Amount for the Affected Receivables in accordance with the Offer to Sell Back and clause 11.5(a) ("Payment of purchase price") of the Sale Deed; and
 - (ii) must also pay an amount equal to the Accrued Interest Adjustment for the Affected Receivables in accordance with clause 11.5(b) ("Payment of purchase price") of the Sale Deed.
- (f) The Seller, the Manager and the Trustee may agree that an Affected Receivable is to be repurchased by the Seller by a different means to that provided for in clauses 6.1(e)(ii), 6.1(d) and 6.1(e), provided that the repurchase of the Affected Receivable under any such other arrangement must be completed within the same time period provided for in clause 6.1(d) and the amount to be paid by the Seller must be at least the amount required under clauses 6.1(d) and 6.1(e).

6.2 Ineligible Product Changes

- (a) The parties acknowledge that, in accordance with the Receivable Terms of a Trust Receivable, if an Obligor applies for an Ineligible Product Change, HSBC AU (as the Seller and, if applicable at the relevant time, the Servicer) has an absolute right to agree to or to refuse to agree to that Ineligible Product Change.
- (b) If HSBC AU (as the Seller and, if applicable at the relevant time, as the Servicer) agrees to an Ineligible Product Change in relation to a Trust Receivable:
 - (i) the Seller must notify the Manager; and
 - (ii) the Seller may in its discretion request the Manager to direct the Trustee (in which case the Manager must direct the Trustee) to issue to the Seller an Offer to Sell Back in accordance with the procedure set out in clause 6.2(c) unless another method of removing the relevant Trust Receivable as a Trust Asset of the

Trust is agreed between the Trustee, the Seller and the Manager in accordance with clause 6.2(e).

- (c) An Offer to Sell Back in respect of which the Seller has requested to be issued by the Trustee under clause 6.2(b)(ii) must:
 - (i) be for the Trust Receivable in respect of which the Ineligible Product Change was made (and any other Trust Receivables also secured by the relevant Trust Related Security) ("**Affected Receivables**");
 - (ii) have a Settlement Amount that includes the Repurchase Price of the Affected Receivables; and
 - (iii) specify as the Settlement Date a date that is no later than the Payment Date immediately following the last day of the Collection Period in which the Offer to Sell Back is given, or such later date as agreed between the Manager and the Seller (and notified by the Manager to the Trustee) and in respect of which a Rating Notification has been given.
- (d) The Seller:
 - (i) must accept an Offer to Sell Back issued by the Trustee under clause 6.2(c), by paying the Settlement Amount for the Affected Receivables in accordance with the Offer to Sell Back and clause 11.5(a) ("Payment of purchase price") of the Sale Deed; and
 - (ii) must also pay an amount equal to the Accrued Interest Adjustment for the Affected Receivables in accordance with clause 11.5(b) ("Payment of purchase price") of the Sale Deed.
- (e) The Seller, the Manager and the Trustee may agree that an Affected Receivable is to be repurchased by the Seller by a different means to that provided for in clauses 6.2(b)(ii), 6.2(c) and 6.2(d), provided that the repurchase of the Affected Receivable under any such other arrangement must be completed within the same time period provided for in clause 6.2(c) and the amount to be paid by the Seller must be at least the amount required under clauses 6.2(c) and 6.2(d).
- (f) If a Trust Receivable becomes subject to an Ineligible Product Change that would otherwise be prohibited under the Transaction Documents, HSBC AU (if it is the Servicer at the relevant time) will be deemed to have remedied any breach of its obligations as Servicer arising solely by having agreed to that Ineligible Product Change provided that HSBC AU (as Seller) repurchases that Trust Receivable in accordance with this clause 6.2.

7 Redraws

7.1 Discretion to make Redraws

The parties acknowledge that, in accordance with the Receivable Terms of a Trust Receivable, if an Obligor applies for a Redraw, HSBC AU (as the Seller and, if applicable at the relevant time, as the Servicer) has an absolute right to agree to or to refuse to grant (on behalf of the Trustee) such Redraw or to make an offer to an Obligor for a Redraw.

7.2 Funding of Redraws

- (a) If:

- (i) the Seller makes Redraw in respect of a Trust Receivable; and
- (ii) at that time the Seller is the Servicer and the Servicer is permitted to retain Collections in accordance with clause 12.4(a) (“Depositing Collections”),

then with effect from the making of that Redraw, the amount of Collections (that would otherwise constitute part of the Principal Collections) required to be deposited by the Servicer into the Collections Account, in accordance with clause 12.4(a) (“Depositing Collections”), on the Payment Date immediately following the end of the Collection Period in which that Redraw was made will be reduced by an amount equal to the lesser of:

- (A) the amount of that Redraw; and
- (B) the amount specified by the Manager to the Seller, such that the Manager is satisfied there will be sufficient Total Available Principal to fund any required Principal Draw under clause 9.4 (“Principal Draw”) on that Payment Date.

Such reduction shall constitute a reimbursement (to the extent of that reduction) by the Trustee to the Seller of that Redraw.

- (b) If:
 - (i) the Seller makes a Redraw in respect of a Trust Receivable; and
 - (ii) at that time:
 - (A) the Seller is not the Servicer; or
 - (B) the Servicer is not permitted to retain Collections in accordance with clause 12.4(a) (“Depositing Collections”),

then the Seller must notify the Manager of the amount of that Redraw.

- (c) On receipt of a notice from the Seller under clause 7.2(b) in respect of a Redraw made during a Collection Period, the Manager may direct the Trustee to apply Principal Collections received during that Collection Period towards reimbursing the Seller in respect of that Redraw.
- (d) The Manager must not direct the Trustee to apply Principal Collections received during a Collection Period in accordance with clause 7.2(c):
 - (i) if the aggregate of such payments during that Collection Period would exceed the aggregate of Principal Collections received up to that day during that Collection Period; and
 - (ii) unless the Manager is satisfied that there will be sufficient Total Available Principal on the Payment Date immediately following the end of that Collection Period to fund any required Principal Draw under clause 9.4 (“Principal Draw”) on that Payment Date.
- (e) If:
 - (i) the Seller makes a Redraw in respect of a Trust Receivable; and
 - (ii) in respect of that Redraw and the aggregate of:

- (A) the reimbursement (if any) in accordance with clause 7.2(a); plus
- (B) the reimbursement (if any) in accordance with clause 7.2(c)

is less than the amount of that Redraw (such shortfall being a **“Redraw Shortfall (Initial)”**), the Manager must direct the Trustee to make a drawing under the Redraw Facility Agreement in an amount equal to the lesser of:

- (C) that Redraw Shortfall (Initial); and
- (D) the Available Redraw Amount,

and the Manager must direct the Trustee to apply the proceeds of such drawing to reimburse the Seller in respect of that Redraw Shortfall (Initial).

(f) If:

- (i) the Seller makes a Redraw in respect of a Trust Receivable; and
- (ii) in respect of that Redraw and the aggregate of:
 - (A) the reimbursement (if any) in accordance with clause 7.2(a); plus
 - (B) the reimbursement (if any) in accordance with clause 7.2(c); plus
 - (C) the reimbursement (if any) in accordance with clause 7.2(e); plus

is less than the amount of that Redraw (such shortfall being a **“Redraw Shortfall (Further)”**), then:

- (D) that Redraw Shortfall (Further) will be reimburseable by the Trustee to the Seller on the Payment Date immediately following the end of the Collection Period in which that Redraw was made to the extent there are funds available for that purpose in accordance with this document; and
- (E) the Trustee agrees to pay to the Seller interest on the daily balance of that un-reimbursed Redraw Shortfall (Further). Interest is to be calculated for each Interest Period. Interest accrues from day to day at the Redraw Interest Rate and is to be calculated on actual days elapsed and a 365 day year. Interest is payable in arrears on each Payment Date to the extent there are funds available for that purpose in accordance with this document.

If, on any Payment Date, all amounts due in accordance with this clause 7.2(f) are not paid in full, on each following Payment Date the Trustee must pay so much of the amounts as are available for that purpose in accordance with this document until such amounts are paid in full.

8 Termination of Swaps and application of Threshold Rate

8.1 Termination of Basis Swap

If, at any time, the Basis Swap is terminated, or ceases in accordance with its terms to be in effect:

- (a) the Manager and the Trustee must endeavour to:
 - (i) within 10 Business Days, enter into one or more swaps which replace the Basis Swap on terms and with a counterparty in respect of which the Manager has provided Rating Notification; or
 - (ii) within 10 Business Days, enter into such other arrangements in respect of which the Manager has provided Rating Notification; and
- (b) the Manager must comply with clause 8.3 (“Calculation of Threshold Rate”).

8.2 Termination of Fixed Rate Swap

If, at any time the Fixed Rate Swap, is terminated, or ceases in accordance with its terms to be in effect the Manager and the Trustee must endeavour to:

- (a) within 10 Business Days, enter into one or more swaps which replace the Fixed Rate Swap on terms and with a counterparty in respect of which the Manager has provided Rating Notification; or
- (b) enter into such other arrangements in respect of which the Manager has provided Rating Notification.

8.3 Calculation of Threshold Rate

The Manager shall, on each Payment Date occurring after the date on which the Basis Swap is terminated and prior to the date one or more replacement swaps or other arrangements are entered into in accordance with clause 8.1(a) (“Termination of Basis Swap”):

- (a) calculate the Threshold Rate on that Payment Date;
- (b) notify the Trustee and the Servicer of that Threshold Rate; and
- (c) direct the Servicer reset or cause to be reset the variable interest rates on any one or more of the Trust Receivables so that the weighted average (rounded up to 4 decimal places) of the variable interest rates payable under the Trust Receivables is at least equal to the Threshold Rate for that Payment Date.

8.4 Servicer’s Discretion

If clause 8.3(c) (“Calculation of Threshold Rate”) applies, the Servicer undertakes, as soon as reasonably possible and subject to applicable law and regulations binding on the Servicer, and in accordance with the Receivable Terms, to comply with directions from the Manager clause 8.3(c).

The Servicer may, at its discretion, set the interest rate on the Trust Receivables (where permitted under applicable law and regulations binding on the Servicer and the relevant Receivable Terms) at an interest rate higher than the Threshold Rate.

9 Cashflow Allocation Methodology

9.1 Total Available Principal

On each Determination Date, the Manager will determine the **Total Available Principal** which will be equal to the aggregate of the following:

- (a) the Principal Collections in respect of the immediately preceding Collection Period; plus
- (b) the amount (if any) to be applied from Total Available Income on the immediately following Payment Date under clause 9.8(n) towards repayment of any Principal Draw outstanding from any previous Payment Date; plus
- (c) the amount (if any) to be applied from Total Available Income on the immediately following Payment Date under clause 9.8(o) in respect of any Principal Losses for the immediately preceding Collection Period; plus
- (d) the amount (if any) to be applied from Total Available Income on the immediately following Payment Date under clause 9.8(p) in respect of Carryover Principal Charge Offs; plus
- (e) in respect of the first Determination Date only, any Principal Adjustment received by the Trustee from the Seller or the Transferor Trustee; plus
- (f) in respect of the first Determination Date only, any surplus proceeds of the issue of Notes to be applied as Total Available Principal in accordance with clause 4.1 ("Use of Note proceeds"); plus
- (g) in respect of the Determination Date immediately following the Collection Period during which the Class A1-R Issue Date occurs, any surplus proceeds of the issue of Class A1-R Notes to be applied as Total Available Principal in accordance with clause 3.5(f) ("Refinancing of Class A1 Notes"); less
- (h) the aggregate of all Principal Collections (if any) in respect of the immediately preceding Collection Period which have been applied by the Trustee towards reimbursing the Seller in respect of Redraws in accordance with clause clauses 7.2(a) and 7.2(c) (Funding of Redraws").

9.2 Available Income

On each Determination Date, the Manager will determine the **Available Income** which will be equal to the aggregate of (without double counting):

- (a) the Income Collections in respect of the immediately preceding Collection Period; plus
- (b) the Other Income in respect of the immediately preceding Collection Period; plus
- (c) any net payments due to be received by the Trustee under a Derivative Contract on the immediately following Payment Date.

9.3 Excess Income Reserve Draw

If, on any Determination Date, there is a Liquidity Shortfall (First), the Manager must direct the Trustee to withdraw an amount from the Excess Income Reserve on the immediately following Payment Date equal to the lesser of:

- (a) that Liquidity Shortfall (First); and
- (b) the balance of the Excess Income Reserve on that Determination Date,
(an “**Excess Income Reserve Draw**”).

9.4 Principal Draw

If, on any Determination Date, there is a Liquidity Shortfall (Second), the Manager must direct the Trustee to allocate an amount of Total Available Principal (in accordance with clause 9.9 (“Application of Total Available Principal”)) on the immediately following Payment Date equal to the lesser of:

- (a) that Liquidity Shortfall (Second); and
- (b) the amount of Total Available Principal available for application for that purpose on that Payment Date in accordance with clause 9.9 (“Application of Total Available Principal”),
(a “**Principal Draw**”).

9.5 Liquidity Draw

If, on any Determination Date, there is a Liquidity Shortfall (Third), the Manager must direct the Trustee to request a drawing under the Liquidity Facility Agreement on the immediately following Payment Date equal to the lesser of:

- (a) that Liquidity Shortfall (Third); and
- (b) the Available Liquidity Amount on that Determination Date,
(a “**Liquidity Draw**”).

9.6 Extraordinary Expense Reserve Draw

If, on any Determination Date, there is an Extraordinary Expense in respect of that Determination Date, the Manager must direct the Trustee to withdraw an amount from the Extraordinary Expense Reserve on the immediately following Payment Date equal to the lesser of:

- (a) that Extraordinary Expense; and
- (b) the balance of the Extraordinary Expense Reserve on that Determination Date,
(an “**Extraordinary Expense Reserve Draw**”).

9.7 Total Available Income

On each Determination Date, the Manager will determine the **Total Available Income** which will be equal to the aggregate of:

- (a) the Available Income in respect of that Determination Date; plus
- (b) any Excess Income Reserve Draw in respect of that Determination Date;
plus

- (c) any Principal Draw in respect of that Determination Date; plus
- (d) any Liquidity Draw in respect of that Determination Date; plus
- (e) any Extraordinary Expense Reserve Draw in respect of that Determination Date.

9.8 Application of Total Available Income

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

- (a) first, A\$100 to the holder of the Participation Unit;
- (b) next, pari passu and rateably, in payment of any Accrued Interest Adjustment due to the Seller or the Transferor Trustee;
- (c) next, any Taxes payable in relation to the Trust (after the application of the balance of the Tax Account towards payment of such Taxes);
- (d) next, pari passu and rateably:
 - (i) the Trustee's fee payable on that Payment Date together with any other amounts which are due and payable on that Payment Date to it for its own account in connection with its role as trustee of the Trust (including any such amounts payable on any prior Payment Date which remain unpaid);
 - (ii) the Security Trustee's fee payable on that Payment Date together with any other amounts which are due and payable on that Payment Date to it for its own account in connection with its role as security trustee in relation to the Trust (including any such amounts payable on any prior Payment Date which remain unpaid); and
- (e) next, pari passu and rateably:
 - (i) the Servicer's fee payable on that Payment Date together with any other amounts which are due and payable on that Payment Date to it for its own account in connection with its role as servicer in relation to the Trust (including any such amounts payable on any prior Payment Date which remain unpaid);
 - (ii) the Manager's fee payable on that Payment Date together with any other amounts which are due and payable on that Payment Date to it for its own account in connection with its role as manager in relation to the Trust (including any such amounts payable on any prior Payment Date which remain unpaid); and
 - (iii) the Trust Expenses incurred during the immediately preceding Collection Period (or any other preceding Collection Period) which remain unreimbursed at that Payment Date;
- (f) next, pari passu and rateably:
 - (i) to each Derivative Counterparty, towards payment of the net amount (if any) due on that Payment Date under each Derivative Contract, excluding:

- (A) any break costs in respect of the termination of a Derivative Contract to the extent that the Derivative Counterparty is the Defaulting Party; and
- (B) any break costs in respect of the termination of the Fixed Rate Swap, to the extent that the Trustee has not received Prepayment Costs from Obligors during the immediately preceding Collection Period;
- (ii) to the Liquidity Facility Provider:
 - (A) towards payment of any interest and fees payable on or prior to that Payment Date under the Liquidity Facility Agreement;
 - (B) towards repayment of all outstanding Liquidity Advances made prior to that Payment Date;
- (iii) to the Redraw Facility Provider, towards payment of any interest and fees payable on or prior to that Payment Date under the Redraw Facility Agreement;
- (g) next, pari passu and rateably:
 - (i) towards payment of the Interest on the Class A1 Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class A1 Notes in respect of previous Interest Periods; and
 - (ii) towards payment of the Interest on the Class A1-R Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class A1-R Notes in respect of previous Interest Periods;
- (h) next, pari passu and rateably, towards payment of the Interest on the Class A2 Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class A2 Notes in respect of previous Interest Periods;
- (i) next, pari passu and rateably, towards payment of the Interest on the Class B Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class B Notes in respect of previous Interest Periods;
- (j) next, pari passu and rateably, towards payment of the Interest on the Class C Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class C Notes in respect of previous Interest Periods;
- (k) next, pari passu and rateably, towards payment of the Interest on the Class D Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class D Notes in respect of previous Interest Periods;
- (l) next, pari passu and rateably, towards payment of the Interest on the Class E Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Interest on the Class E Notes in respect of previous Interest Periods;
- (m) next, pari passu and rateably, towards payment of the Interest on the Class F Notes for the Interest Period ending on (but excluding) that

Payment Date and any unpaid Interest on the Class F Notes in respect of previous Interest Periods;

- (n) next, to be applied towards Total Available Principal, up to an amount equal to any Principal Draw unreimbursed from any previous Payment Date;
- (o) next, to be applied towards Total Available Principal, up to an amount equal to any Principal Losses in respect of the immediately preceding Collection Period;
- (p) next, to be applied towards Total Available Principal, up to an amount equal to any Carryover Principal Charge-Off unreimbursed from any previous Payment Date;
- (q) next, as a deposit to the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve equals the Extraordinary Expense Reserve Required Balance;
- (r) next, pari passu and rateably:
 - (i) to each Derivative Counterparty, towards payment of any amount due on that Payment Date under each Derivative Contract to the extent not paid under clause 9.8(f)(i)(A);
 - (ii) to the Liquidity Facility Provider, towards payment of any amount due on that Payment Date under the Liquidity Facility Agreement to the extent not paid under clause 9.8(f)(ii);
 - (iii) to the Redraw Facility Provider, towards payment of any amount due on that Payment Date under the Redraw Facility Agreement to the extent not paid under clause 9.8(f)(iii) (excluding any amount payable under clause 9.9 (“Application of Total Available Principal”));
- (s) next, pari passu and rateably, to each Co-Arranger, each Joint Lead Manager and each Dealer, towards payment of any indemnity amount due and payable under the relevant Dealer Agreement;
- (t) next, to retain in the Tax Account an amount equal to the Tax Shortfall (if any) in respect of that Payment Date;
- (u) next, to retain in the Tax Account an amount equal to the Tax Amount (if any) in respect of that Payment Date;
- (v) next, if that Payment Date is on or after the first Call Option Date, an amount equal to the Excess Income Reserve Amount in respect of that Payment Date to be deposited to the Excess Income Reserve; and
- (w) next, the surplus (if any) to the Participation Unitholder by way of distribution of the income of the Trust.

9.9 Application of Total Available Principal

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

- (a) first, to fund any Principal Draw required in accordance with clause 9.4 (“Principal Draw”);
- (b) next, to the Seller, towards reimbursement of all Redraws funded by the Seller during or prior to the immediately preceding Collection Period and which have not previously been reimbursed to the Seller;
- (c) next, to the Redraw Facility Provider, towards repayment of all outstanding Redraw Advances made prior to that Determination Date;
- (d) next, if the Subordination Conditions are not satisfied on that Payment Date, in the following order of priority:
 - (i) first, pari passu and rateably:
 - (A) to the Class A1 Noteholders towards repayment of the Class A1 Notes until the Invested Amount of the Class A1 Notes has been reduced to zero;
 - (B) to the Class A1-R Noteholders towards repayment of the Class A1-R Notes until the Invested Amount of the Class A1-R Notes has been reduced to zero;
 - (ii) next, pari passu and rateably, to the Class A2 Noteholders towards repayment of the Class A2 Notes until the Invested Amount of the Class A2 Notes has been reduced to zero; and
 - (iii) next, pari passu and rateably, to the Class B Noteholders towards repayment of the Class B Notes until the Invested Amount of the Class B Notes has been reduced to zero;
 - (iv) next, pari passu and rateably, to the Class C Noteholders towards repayment of the Class C Notes until the Invested Amount of the Class C Notes has been reduced to zero;
 - (v) next, pari passu and rateably, to the Class D Noteholders towards repayment of the Class D Notes until the Invested Amount of the Class D Notes has been reduced to zero;
 - (vi) next, pari passu and rateably, to the Class E Noteholders towards repayment of the Class E Notes until the Invested Amount of the Class E Notes has been reduced to zero;
 - (vii) next, pari passu and rateably, to the Class F Noteholders towards repayment of the Class F Notes until the Invested Amount of the Class F Notes has been reduced to zero;
- (e) next, if the Subordination Conditions are satisfied on that Payment Date, pari passu and rateably:
 - (i) to the Class A1 Noteholders towards repayment of the Class A1 Notes until the Invested Amount of the Class A1 Notes has been reduced to zero;
 - (ii) to the Class A1-R Noteholders towards repayment of the Class A1-R Notes until the Invested Amount of the Class A1-R Notes has been reduced to zero;
 - (iii) to the Class A2 Noteholders towards repayment of the Class A2 Notes until the Invested Amount of the Class A2 Notes has been reduced to zero;

- (iv) to the Class B Noteholders towards repayment of the Class B Notes until the Invested Amount of the Class B Notes has been reduced to zero;
 - (v) to the Class C Noteholders towards repayment of the Class C Notes until the Invested Amount of the Class C Notes has been reduced to zero;
 - (vi) to the Class D Noteholders towards repayment of the Class D Notes until the Invested Amount of the Class D Notes has been reduced to zero;
 - (vii) to the Class E Noteholders towards repayment of the Class E Notes until the Invested Amount of the Class E Notes has been reduced to zero;
 - (viii) to the Class F Noteholders towards repayment of the Class F Notes until the Invested Amount of the Class F Notes has been reduced to zero;
- (f) next, the surplus (if any) to the Participation Unitholder.

9.10 Allocation of Principal Charge-Offs

On each Determination Date the Manager must determine if there is a Principal Charge-Off in respect of that Determination Date and must allocate any such Principal Charge-Off on the immediately following Payment Date in the following order:

- (a) first, pari passu and rateably, to reduce the Aggregate Stated Amount of the Class F Notes until the Stated Amount of the Class F Notes reaches zero;
- (b) next, pari passu and rateably, to reduce the Aggregate Stated Amount of the Class E Notes until the Aggregate Stated Amount of the Class E Notes reaches zero;
- (c) next, pari passu and rateably, to reduce the Aggregate Stated Amount of the Class D Notes until the Aggregate Stated Amount of the Class D Notes reaches zero;
- (d) next, pari passu and rateably, to reduce the Aggregate Stated Amount of the Class C Notes until the Aggregate Stated Amount of the Class C Notes reaches zero;
- (e) next, pari passu and rateably, to reduce the Aggregate Stated Amount of the Class B Notes until the Aggregate Stated Amount of the Class B Notes reaches zero;
- (f) next, pari passu and rateably, to reduce the Aggregate Stated Amount of the Class A2 Notes until the Aggregate Stated Amount of the Class A2 Notes reaches zero;
- (g) next, pari passu and rateably:
 - (i) to reduce the Aggregate Stated Amount of the Class A1 Notes until the Aggregate Stated Amount of the Class A1 Notes reaches zero; and

- (ii) to reduce the Aggregate Stated Amount of the Class A1-R Notes until the Aggregate Stated Amount of the Class A1-R Notes reaches zero,

(each a “**Carryover Principal Charge-Off**”).

9.11 Re-instatement of Carryover Principal Charge-Offs

To the extent that on any Payment Date amounts are available for allocation under clause 9.8(p) (“Application of Total Available Income”) then an amount equal to these amounts shall be applied on that Payment Date:

- (a) first, pari passu and rateably:
 - (i) to increase the Aggregate Stated Amount of the Class A1 Notes until it reaches the Aggregate Invested Amount of the Class A1 Notes; and
 - (ii) to increase the Aggregate Stated Amount of the Class A1-R Notes until it reaches the Aggregate Invested Amount of the Class A1-R Notes;
- (b) next, pari passu and rateably, to increase the Aggregate Stated Amount of the Class A2 Notes until it reaches the Aggregate Invested Amount of the Class A2 Notes;
- (c) next, pari passu and rateably, the Aggregate Stated Amount of the Class B Notes until it reaches the Aggregate Invested Amount of the Class B Notes;
- (d) next, pari passu and rateably, the Aggregate Stated Amount of the Class C Notes until it reaches the Aggregate Invested Amount of the Class C Notes;
- (e) next, pari passu and rateably, the Aggregate Stated Amount of the Class D Notes until it reaches the Aggregate Invested Amount of the Class D Notes;
- (f) next, pari passu and rateably, the Aggregate Stated Amount of the Class E Notes until it reaches the Aggregate Invested Amount of the Class E Notes; and
- (g) next, pari passu and rateably, the Aggregate Stated Amount of the Class F Notes until it reaches the Aggregate Invested Amount of the Class F Notes.

9.12 Application of proceeds following an Event of Default

Following the occurrence of an Event of Default and enforcement of the General Security Deed, the Security Trustee must apply all moneys received by it in respect of the Collateral in the following order of priority:

- (a) first, to any person with a prior ranking claim (of which the Security Trustee has knowledge) over the Collateral to the extent of that claim;
- (b) next, pari passu and rateably:
 - (i) to pay to any Receiver appointed in accordance with the Security Trust Deed, for its Costs, fees and remuneration in connection with it acting as receiver in accordance with the Transaction Documents;

- (ii) next, to pay 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;
 - (iii) next, to pay the Trustee for its Costs and other amounts (including all Secured Moneys) due to it for its own account in connection with its role as trustee of the Trust);
- (c) next, to pay pari passu and rateably:
 - (i) all Secured Moneys owing to the Seller;
 - (ii) all Secured Moneys owing to the Manager;
 - (iii) all Secured Moneys owing to the Servicer; and
- (d) next, to pay pari passu and rateably:
 - (i) all Secured Moneys owing to each Derivative Counterparty (excluding any break costs in respect of the termination of a Derivative Contract to the extent that the Derivative Counterparty is the Defaulting Party);
 - (ii) all Secured Moneys owing to the Liquidity Facility Provider;
 - (iii) all Secured Moneys owing to the Redraw Facility Provider;
- (e) next, to pay all Secured Moneys owing to the Class A1 Noteholders and Class A1-R Noteholders in relation to the Class A1 Notes and Class A1-R Notes. This will be applied in the following order of priority:
 - (i) first, pari passu and rateably, to the Class A1 Noteholders and Class A1-R Noteholders towards payment of all unpaid Interest on the Class A1 Notes and Class A1-R Notes; and
 - (ii) next, pari passu and rateably, to the Class A1 Noteholders and Class A1-R Noteholders towards repayment of the Class A1 Notes and Class A1-R Notes until the Invested Amount of the Class A1 Notes and Class A1-R Notes has been reduced to zero;
- (f) next, to pay all Secured Moneys owing to the Class A2 Noteholders in relation to the Class A2 Notes. This will be applied in the following order of priority:
 - (i) first, pari passu and rateably, to the Class A2 Noteholders towards payment of all unpaid Interest on the Class A2 Notes
 - (ii) next, pari passu and rateably, to the Class A2 Noteholders towards repayment of the Class A2 Notes until the Invested Amount of the Class A2 Notes has been reduced to zero;
- (g) next, to pay all Secured Moneys owing to the Class B Noteholders in relation to the Class B Notes. This will be applied in the following order of priority:
 - (i) first, pari passu and rateably, to the Class B Noteholders towards payment of all unpaid Interest on the Class B Notes

- (ii) next, pari passu and rateably, to the Class B Noteholders towards repayment of the Class B Notes until the Invested Amount of the Class B Notes has been reduced to zero;
- (h) next, to pay all Secured Moneys owing to the Class C Noteholders in relation to the Class C Notes. This will be applied in the following order of priority:
 - (i) first, pari passu and rateably, to the Class C Noteholders towards payment of all unpaid Interest on the Class C Notes
 - (ii) next, pari passu and rateably, to the Class C Noteholders towards repayment of the Class C Notes until the Invested Amount of the Class C Notes has been reduced to zero;
- (i) next, to pay all Secured Moneys owing to the Class D Noteholders in relation to the Class D Notes. This will be applied in the following order of priority:
 - (i) first, pari passu and rateably, to the Class D Noteholders towards payment of all unpaid Interest on the Class D Notes
 - (ii) next, pari passu and rateably, to the Class D Noteholders towards repayment of the Class D Notes until the Invested Amount of the Class D Notes has been reduced to zero;
- (j) next, to pay all Secured Moneys owing to the Class E Noteholders in relation to the Class E Notes. This will be applied in the following order of priority:
 - (i) first, pari passu and rateably, to the Class E Noteholders towards payment of all unpaid Interest on the Class E Notes
 - (ii) next, pari passu and rateably, to the Class E Noteholders towards repayment of the Class E Notes until the Invested Amount of the Class E Notes has been reduced to zero;
- (k) next, to pay all Secured Moneys owing to the Class F Noteholders in relation to the Class F Notes. This will be applied in the following order of priority:
 - (i) first, pari passu and rateably, to the Class F Noteholders towards payment of all unpaid Interest on the Class F Notes
 - (ii) next, pari passu and rateably, to the Class F Noteholders towards repayment of the Class F Notes until the Invested Amount of the Class F Notes has been reduced to zero;
- (l) next, to pay pari passu and rateably, all Secured Moneys owing to each Derivative Counterparty to the extent not paid under the preceding paragraphs;
- (m) next, to pay pari passu and rateably all Secured Money owing to the Secured Creditors to the extent not paid under the preceding paragraphs;
- (n) next, to any person with a subsequent ranking claim (of which the Security Trustee has knowledge) over the Collateral to the extent of that claim; and

- (o) next, to pay any surplus to the Trustee to be distributed in accordance with the terms of the Master Trust Deed.

9.13 Collateral Support

The proceeds of any Collateral Support will not be treated as Collateral available for distribution in accordance with clause 9.12 (“Application of proceeds following an Event of Default”).

Following an Event of Default and enforcement of the General Security Deed, any such Collateral Support shall:

- (a) in the case of Collateral Support under a Derivative Contract, (subject to the operation of any netting provisions in the relevant Derivative Contract) be returned to the relevant Derivative Counterparty except to the extent that the relevant Derivative Contract requires it to be applied to satisfy any obligation owed to the Trustee in connection with such Derivative Contract; and
- (b) in the case of Collateral Support under the Liquidity Facility Agreement, be returned to the Liquidity Facility Provider except to the extent that the Liquidity Facility Agreement requires it to be applied to satisfy any obligation owed to the Trustee by the Liquidity Facility Provider.

9.14 Subordination Conditions

The **Subordination Conditions** are satisfied on a Payment Date if:

- (a) that Payment Date falls:
 - (i) on or after the Determination Date that falls on or after the second anniversary of the Closing Date; and
 - (ii) prior to the first Call Option Date; and
- (b) on the Determination Date immediately prior to that Payment Date:
 - (i) the Aggregate Invested Amount of the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and Class F Notes on that Determination Date is equal to or greater than 16.0% of the Aggregate Invested Amount of all Notes on that Determination Date;
 - (ii) there are no Carryover Principal Charge-Offs; and
 - (iii) the Average Arrears Ratio in respect of that Determination Date does not exceed 2.0%.

10 Reserves

10.1 Excess Income Reserve

- (a) The Manager will maintain the Excess Income Reserve as a ledger account of the Collection Account by recording:
 - (i) all deposits to the Excess Income Reserve, as a credit to the ledger; and
 - (ii) all withdrawals from Excess Income Reserve, as a debit to the ledger.

- (b) The balance of the Excess Income Reserve must be applied by the Trustee at the direction of the Manager as follows:
 - (i) on a Payment Date for the purpose of making an Excess Income Reserve Draw in accordance with clause 9.3 (“Excess Income Reserve Draw”); and
 - (ii) on the Payment Date on which all Notes are to be redeemed in full and after any Excess Income Reserve Draw has been made on that Payment Date in accordance with clause 9.3 (“Excess Income Reserve Draw”), by paying the balance of the Excess Income Reserve to the Participation Unitholder.
- (c) The balance of the Excess Income Reserve will be treated as Collateral available for distribution in accordance with clause 9.12 (“Application of proceeds following an Event of Default”).
- (d) The balance of the Excess Income Reserve may only be applied in accordance with this clause 10.1.
- (e) In the Transaction Documents, a reference to a deposit or withdrawal from the Excess Income Reserve shall be interpreted to mean a deposit or withdrawal (as applicable) from the Collection Account with a corresponding record being made to the Excess Income Reserve in accordance with clause 10.1(a).

10.2 Extraordinary Expense Reserve

- (a) The Manager will maintain the Extraordinary Expense Reserve as a ledger account of the Collection Account by recording:
 - (i) all deposits to the Extraordinary Expense Reserve, as a credit to the ledger; and
 - (ii) all withdrawals from Extraordinary Expense Reserve, as a debit to the ledger.
- (b) It is acknowledged that:
 - (i) the Extraordinary Expense Reserve Provider must, on or prior to the Closing Date, make a deposit (of its own funds) into the Extraordinary Expense Reserve of an amount equal to the Extraordinary Expense Reserve Required Balance;
 - (ii) such deposit shall constitute an interest bearing loan from the Extraordinary Expense Reserve Provider to the Trustee (“**Extraordinary Expense Reserve Loan**”);
 - (iii) the interest on the Extraordinary Expense Reserve Loan shall equal the interest that has been earned on the balance of the Collections Account which is referable to the Extraordinary Expense Reserve;
 - (iv) the Extraordinary Expense Loan is only repayable by the Trustee to the Extraordinary Expense Reserve Provider after all Notes have been redeemed in full.
- (c) On each Determination Date the Manager will determine the amount (if any) that has been received in the immediately preceding Collection Period in respect of interest that has been earned on the balance of the Collections Account which is referable to the Extraordinary Expense

Reserve and must direct the Trustee to pay such amount on the next Payment Date to the Extraordinary Expense Reserve Provider.

- (d) The balance of the Extraordinary Expense Reserve must be applied by the Trustee at the direction of the Manager as follows:
 - (i) on a Payment Date for the purpose of making an Extraordinary Expense Reserve Draw in accordance with clause 9.6 (“Extraordinary Expense Reserve Draw”); and
 - (ii) on the Payment Date on which all Notes are to be redeemed in full and after any Extraordinary Expense Reserve Draw has been made on that Payment Date in accordance with clause 9.6 (“Extraordinary Expense Reserve Draw”), by applying the balance of the Extraordinary Expense Reserve to the Extraordinary Expense Reserve Provider in repayment of the Extraordinary Expense Reserve Loan.
- (e) The balance of the Extraordinary Expense Reserve will be treated as Collateral available for distribution in accordance with clause 9.12 (“Application of proceeds following an Event of Default”).
- (f) The balance of the Extraordinary Expense Reserve may only be applied in accordance with this clause 10.2.
- (g) In the Transaction Documents, a reference to a deposit or withdrawal from the Extraordinary Expense Reserve shall be interpreted to mean a deposit or withdrawal (as applicable) from the Collection Account with a corresponding record being made to the Extraordinary Expense Reserve in accordance with clause 10.2(a).

11 Determinations

11.1 Determinations to be made by the Manager

On each Determination Date, the Manager will (and where applicable, in respect of the Collection Period ending immediately prior to that Determination Date) determine or otherwise ascertain:

- (a) the Income Collections;
- (b) the Principal Collections;
- (c) the Available Income;
- (d) the Total Available Income;
- (e) the Total Available Principal;
- (f) the Other Income;
- (g) the Required Payments (and each amount comprising the Required Payments);
- (h) the Liquidity Shortfall (First), if any;
- (i) the Liquidity Shortfall (Second), if any;
- (j) the Liquidity Shortfall (Third), if any;
- (k) the Excess Income Reserve Draw, if any;

- (l) the Principal Draw, if any;
- (m) the Liquidity Draw, if any;
- (n) the Extraordinary Expense Reserve Draw, if any
- (o) the Trust Expenses;
- (p) the Collections;
- (q) the Invested Amount of each Note;
- (r) the Stated Amount of each Note;
- (s) the Principal Losses (if any), the Principal Charge-Off (if any) and the Carryover Principal Charge-Off (if any);
- (t) whether the Subordination Conditions are satisfied;
- (u) the Tax Shortfall (if any);
- (v) the Tax Amount (if any); and
- (w) any other determinations which are required or relevant in respect of that Determination Date.

11.2 Notifications and instructions to Trustee

The Manager must:

- (a) notify the Trustee of each of the amounts calculated by it in clause 11.1 (“Determinations to be made by the Manager”); and
- (b) instruct the Trustee as to the payments to be made by the Trustee on the relevant Payment Date in accordance with clause 9 (“Cashflow Allocation Methodology”).

11.3 Reliance on Manager’s calculations and instructions

Without limiting any provision contained in the Master Trust Deed, the Trustee may rely upon the Manager’s calculations and instructions without further enquiry.

11.4 Note Conditions

The Manager agrees to perform the obligations of the “Calculation Agent” under the Conditions and to be bound by all other provisions of the Conditions which are expressed to apply to the Manager.

12 Collection Account

12.1 Opening of Account

The Collection Account must be opened on or prior to the Closing Date.

The Collection Account will be opened with the Servicer, provided the Servicer is an Eligible Bank at the relevant time.

12.2 Transfer of Collection Account

If the Bank at which the Collection Account is held ceases to be an Eligible Bank, the Manager must, upon becoming aware of the occurrence of that event, as soon as reasonably practicable and in any event within 60 calendar days, direct

the Trustee to establish and the Trustee on that direction must establish a new Collection Account with an Eligible Bank and transfer the funds standing to the credit of the old Collection Account to the new Collection Account.

12.3 Set-off

For so long as the Collection Account is maintained with the Servicer (and the Servicer is HSBC AU), the Servicer agrees that:

- (a) it does not have an Encumbrance in, and undertakes not to create, claim, exercise any rights under or enforce any Encumbrance in, the Collection Account;
- (b) it will not exercise any right that the Servicer may otherwise have to set off (whether under contract or by operation of law) any credit balance in the Collection Account against amounts that the Trustee or any other person might owe the Servicer; and
- (c) it will not exercise any right that the Servicer may otherwise have to combine any balance in the Collection Account with any other amount in any other account held with the Servicer.

12.4 Depositing Collections

- (a) If the Servicer is the Seller and the Servicer has the Servicer Required Credit Rating, it is permitted to retain any Collections in respect of a Collection Period until 10.00 am (Sydney time) on the Payment Date immediately following the end of the relevant Collection Period, on or before which time it must deposit such Collections into the Collections Account (subject to clause 7.2 ("Funding of Redraws")).
- (b) Subject to paragraph (a) above, the Servicer must remit all Collections it receives to the Collections Account within 2 Business Days of receipt of such Collections.

12.5 Gross Up for Offset Accounts

The Seller must pay the Servicer (as part of the Collections to be deposited by the Servicer into the Collection Account in accordance with clause 12.4 ("Depositing Collections")) any amount which would otherwise be received by the Servicer as a Collection to the extent that the obligation to pay such amounts is discharged or reduced by virtue of the terms of an Offset Account. Such payment must be made on the day that the relevant amount would otherwise have been received.

The Seller will, following the occurrence of a Title Perfection Event where the Trustee has given notice to the relevant Obligor in respect of the Trust Receivables, subject to any contractual notice requirements by which the Seller is bound, promptly withdraw all interest off-set benefits (if any) that would otherwise be available to Obligor under the terms of their Offset Accounts.

13 Events of Default

13.1 Events of Default

Each of the following is an **Event of Default**:

- (a) **(non-payment)** the Trustee 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 Trustee pays the amount within 10 Business Days of the due date;

- (b) **(non-compliance with other obligations)** the Trustee:
- (i) 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
 - (ii) if the non-compliance can be remedied, does not remedy the non-compliance within 20 Business Days after written notice (or such longer period as may be specified in the notice) from the Security Trustee requiring the failure to be remedied;
- (c) **(Insolvency)** the Trustee becomes Insolvent, and the Trustee is not replaced in accordance with the Master Trust Deed within 90 days (or such longer period as the Security Trustee, at the direction of an Ordinary Resolution of the Voting Secured Creditors, may agree) of becoming Insolvent;
- (d) **(encumbrance)** the General Security Deed is not or ceases to be valid and enforceable or any Encumbrance (other than a Permitted Encumbrance) is created or exists in respect of the Collateral for a period of more than 10 Business Days following the Trustee becoming aware of the creation or existence of such Encumbrance, where such event will have a Material Adverse Payment Effect;
- (e) **(voidable Transaction Document)**:
- (i) all or any part of any Transaction Document (other than a Cashflow Support Facility) is terminated or is or becomes void, illegal, invalid, unenforceable or of limited force and effect; or
 - (ii) a party becomes entitled to terminate, rescind or avoid all or any part of any Transaction Document (other than a Cashflow Support Facility),
- where such event will have a Material Adverse Payment Effect; or
- (f) **(non-exercise of indemnity)** the Trustee is (for any reason) not entitled to fully exercise the right of indemnity conferred on it under the Master Trust Deed against the Trust Assets to satisfy any liability to a Secured Creditor and the circumstances are not rectified to the satisfaction of the Security Trustee within 20 Business Days after written notice (or such longer period as may be specified in the notice) from the Security Trustee requiring the circumstances to be rectified;
- (g) **(Trust)** without the prior consent of the Security Trustee (that consent having been approved by an Ordinary Resolution of the Voting Secured Creditors):
- (i) the Trust is wound up, or the Trustee is required to wind up the Trust in accordance with the Master Trust Deed or any applicable law, or the winding up of the Trust commences; or
 - (ii) the Trust is held, or is conceded by the Trustee, not to have been constituted or to have been imperfectly constituted.

14 Tax consolidation

14.1 Membership of Tax Consolidated Group

- (a) If the Trust is (upon being established), or subsequently becomes, a member of a Tax Consolidated Group, the Manager must:
- (i) promptly procure that the head company and subsidiary members of such Tax Consolidated Group enter into a Tax Sharing Agreement that is acceptable to the Trustee acting reasonably in the circumstances; and
 - (ii) procure that the head company of the Tax Consolidated Group shall provide evidence of such a Tax Sharing Agreement being in place:
 - (A) at the time the Trust becomes a member of the Tax Consolidated Group; and
 - (B) on each occasion that there is any material alteration, material amendment or replacement of a Tax Sharing Agreement covering the Group Tax Liabilities of the Tax Consolidated Group (other than where an entity joins or leaves the Tax Consolidated Group).
- (b) If the head company of the Tax Consolidated Group in respect of which the Trust becomes a subsidiary member does not at the time the Trust becomes a member of the Tax Consolidated Group, or at any subsequent time, provide evidence to the satisfaction of the Trustee (which may rely upon the advice of tax lawyers, among others) that the Group Tax Liabilities of the Tax Consolidated Group are covered by a Tax Sharing Agreement, that apportions those Group Tax Liabilities on a basis that is acceptable to the Trustee (and the Trustee acknowledges that a nil allocation of the Group Tax Liabilities will be acceptable to it provided that such an allocation is reasonable) then the Manager must, as soon as is practicable, take steps to ensure that the Trustee is not exposed to joint and several liability to pay a Group Tax Liability, which may, but not necessarily, include directing the Trustee to take steps to ensure that the Trust ceases to be a member of that Tax Consolidated Group.

14.2 Tax Account

The Manager must:

- (a) (if the Manager determines that there will be a Tax Amount payable in the future by the Trustee in respect of the Trust) direct the Trustee in writing to open the Tax Account; and
- (b) on each Payment Date direct the Trustee in writing to set aside into the Tax Account the required Tax Amount and Tax Shortfall, as determined by the Manager, from Total Available Income in accordance with clause 9.8 ("Application of Total Available Income"). The Manager must direct the Trustee to apply the funds in the Tax Account in paying any Tax when due and payable by the Trustee in respect of the Trust.

The Trustee is entitled to be indemnified out of the Trust Assets for any liability it incurs if the Commissioner of Taxation determines that the Trustee has a liability to pay any part of the Group Tax Liabilities of the Tax Consolidated Group that are not able to be satisfied from the Tax Account.

15 National Consumer Credit Protection Laws

15.1 Servicer representations

The Servicer represents and warrants that:

- (a) it is a Licensee; and
- (b) it has given, or will give within the time prescribed by law, notice to ASIC in the prescribed form that it is a party to a Servicing Agreement.

15.2 Trustee representations

The Trustee represents and warrants that:

- (a) it is to the extent required under the NCCP:
 - (i) (in its personal capacity) a Licensee authorised; or
 - (ii) (in its personal capacity) is otherwise authorised for the purposes of the NCCP,

to engage in all credit activities that it is required to perform in complying with its obligations under the Transaction Documents or is otherwise exempt from the requirement to be licensed under the NCCP in order to engage in such credit activities;

- (b) it is (in its personal capacity) a member of an Approved External Dispute Resolution Scheme; and
- (c) it is not an Inappropriate Person.

15.3 Repetition of representations

The representations and warranties in this clause 15 (“National Consumer Credit Protection Laws”) are taken to be also made (by reference to the then current circumstances) on each Payment Date.

15.4 Servicer undertakings

The Servicer undertakes:

- (a) to notify the Trustee if it ceases to be a Licensee;
- (b) to ensure that the Trustee is not, as a result of the its actions or omissions in respect of the Trust, in breach of the provisions of the National Consumer Credit Protection Laws which are applicable to the Trustee; and
- (c) to perform all relevant obligations, and exercise all relevant rights, of the Trustee as a Credit Provider or a Special Purpose Funding Entity under the National Consumer Credit Protection Laws in respect of the Trust Receivables in accordance with the Transaction Documents.

15.5 Trustee undertakings

The Trustee undertakes:

- (a) to ensure that at all times it continues:
 - (i) to the extent required under the NCCP:
 - (A) to be (in its personal capacity) a Licensee authorised; or

(B) (in its personal capacity) otherwise authorised for the purposes of the NCCP,

to engage in all credit activities that it is required to perform in complying with its obligations under the Transaction Documents or is otherwise exempt from the requirement to be licensed under the NCCP in order to engage in such credit activities;

- (ii) to be a member (in its personal capacity) of an Approved External Dispute Resolution Scheme; and
 - (iii) not to be an Inappropriate Person;
- (b) to notify the Manager if at any time it has knowledge that any representation or warranty contained in clause 15.2 (“Trustee representations”) ceases to be true and correct; and
- (c) not to do anything where it has knowledge that the doing of that thing will result in the Trust ceasing to be a securitisation entity (as defined in Schedule 3 of NCCP Regulations), other than (at (the direction of the Manager) terminating the appointment of the Servicer.

15.6 Manager undertakings

The Manager undertakes not to do anything where it has knowledge that the doing of that thing will result in the Trust ceasing to be a securitisation entity (as defined in Schedule 3 of NCCP Regulations), other than terminating the appointment of the Servicer in accordance with the Transaction Documents.

16 Amendments to Servicing Deed

16.1 Amendments

In accordance with clause 14.1 (“Variation by Issue Supplement”) of the Servicing Deed, the Servicing Deed is varied for the purposes of the Trust in the manner contemplated by this clause 16.

16.2 Servicer Termination Event

A **Servicer Termination Event** occurs if:

- (a) the Servicer fails to remit Collections (if any) received by it in respect of the Trust Receivables to the Collection Account on time and in the manner required under the Transaction Documents unless the Servicer pays the amount within 10 Business Days (or such longer period as is agreed between the Servicer and the Trustee provided that Rating Notification has been provided in respect of that longer period) of notice from either the Trustee or the Security Trustee;
- (b) the Servicer:
 - (i) does not comply with any of its other obligations under any Transaction Document where such non-compliance will have a Material Adverse Effect; and
 - (ii) if the non-compliance can be remedied, does not remedy the non-compliance within 20 Business (or such longer period as is agreed between the Servicer and the Trustee provided that Rating Notification has been provided in respect of that longer period) of the Servicer receiving a notice from the Trustee or the Security Trustee requiring its remedy;

- (c) any representation or warranty made by the Servicer in connection with the Transaction Documents is incorrect or misleading when made where:
 - (i) such failure will have a Material Adverse Effect; and
 - (ii) if such failure can be remedied, it is not remedied within 20 Business Days (or such longer period as is agreed between the Servicer and the Trustee provided that Rating Notification has been provided in respect of that longer period) of the Servicer receiving a notice from the Trustee or the Security Trustee requiring its remedy; or
 - (d) the Servicer becomes Insolvent.
-

17 Amendments to Management Deed

17.1 Amendments

In accordance with clause 11.1 (“Variation by Issue Supplement”) of the Management Deed, the Management Deed is varied for the purposes of the Trust in the manner contemplated by this clause 17.

17.2 Manager Termination Event

A **Manager Termination Event** occurs if:

- (a) the Manager:
 - (i) does not comply with any of its obligations under any Transaction Document where such non-compliance will have a Material Adverse Effect; and
 - (ii) if the non-compliance can be remedied, does not remedy the non-compliance within 30 days (or such longer period as is agreed between the Manager and the Trustee provided that Rating Notification has been provided in respect of that longer period) of the Manager receiving a notice from the Trustee or the Security Trustee requiring its remedy;
 - (b) any representation or warranty made by the Manager in connection with the Transaction Documents is incorrect or misleading when made where:
 - (i) such failure will have a Material Adverse Effect; and
 - (ii) if such failure can be remedied, it is not remedied within 60 Business Days (or such longer period as is agreed between the Manager and the Trustee provided that Rating Notification has been provided in respect of that longer period) receiving a notice from the Trustee or the Security Trustee requiring its remedy; or
 - (c) the Manager becomes Insolvent.
-

18 General

18.1 Governing law and jurisdiction

This document is governed by the law in force in New South Wales. Each party submits to the non-exclusive jurisdiction of the courts of that place.

18.2 Counterparts

This document may consist of a number of copies, each signed by one or more parties to the deed. If so, the signed copies are treated as making up the one document.

18.3 Prompt performance

Subject to clause 18.4 ("Time of the essence"):

- (a) if this document specifies when a party agrees to perform an obligation, that party agrees to perform it by the time specified; and
- (b) the party agrees to perform all other obligations promptly.

18.4 Time of the essence

Time is of the essence in this document in respect of an obligation of the Trustee to pay money.

18.5 Discretion in exercising rights

A party may exercise a right, power or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this document expressly states otherwise.

18.6 Partial exercising of rights

If a party does not exercise a right, power or remedy fully or at a given time, the party may still exercise it later.

18.7 No liability for loss

No party is liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right, power or remedy.

18.8 Remedies cumulative

The rights, powers and remedies of a party under this document are in addition to other rights and remedies given by law independently of this document.

18.9 Indemnities

Any indemnity, reimbursement or similar obligation in this document which is given by a party:

- (a) is a continuing obligation despite any intervening payment, settlement or other thing;
- (b) is independent of that party's other obligations under this document;
- (c) survives the termination or discharge of this document; and
- (d) in respect of the Trustee, does not limit the Trustee's indemnification from the Trust Assets of a Trust in accordance with clause 18.1 ("Indemnity") of the Master Trust Deed.

It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under a Transaction Document.

18.10 Inconsistent law

To the extent permitted by law, this document prevails to the extent it is inconsistent with any law.

18.11 Supervening legislation

Any present or future legislation which operates to vary the obligations of the Trustee in connection with a Transaction Document with the result that a party's rights, powers or remedies are adversely affected (including by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

18.12 Business Day Convention

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

18.13 Banking Code of Practice

The parties agree that the Banking Code of Practice does not apply to the Transaction Documents and the transactions under them.

18.14 Limitation of liability - Trustee

Clause 18 ("Indemnity and limitation of liability") of the Master Trust Deed is incorporated into this document as if it was fully set out in this document and any clause references in such clause were to the corresponding incorporated clause.

18.15 Limitation of liability – Security Trustee

Clause 8 ("Security Trustee indemnity and limitation of liability") of the Security Trust Deed incorporated into this document as if it was fully set out in this document and any clause references in such clause were to the corresponding incorporated clause.

18.16 Notices

Clause 22 ("Notices and other communications") of the Security Trust Deed is incorporated into this document as if it was fully set out in this document and any clause references in such clause were to the corresponding incorporated clause.

18.17 GST

Clause 23 ("GST") of the Security Trust Deed is incorporated into this document as if it was fully set out in this document and any clause references in such clause were to the corresponding incorporated clause.

18.18 Confidentiality

Clause 26.19 ("Confidentiality") of the Security Trust Deed is incorporated into this document as if it was fully set out in this document and any clause references in such clause were to the corresponding incorporated clause.

18.19 Anti-money laundering

Clause 26.27 ("Anti-money laundering") of the Security Trust Deed is incorporated into this document as if it was fully set out in this document and any clause references in such clause were to the corresponding incorporated clause.

18.20 Confirmation ipso facto stays not applicable

- (a) Each party to this document agrees that this document and each of the Transaction Documents is a document to which regulation 5.3A.50(2)(r) of the Corporations Regulations 2001 applies.
- (b) Each party to this document agrees that to the extent that:

- (i) a Transaction Document (other than this document) is not a document to which regulation 5.3A.50(2)(r) of the Corporations Regulations 2001 applies; and
- (ii) any provision of that Transaction Document is not enforceable by a party to that Transaction Document as a result of the operation of section 415D, 415F, 415FA, 434J, 434L, 434LA, 451E, 451G or 451GA of the Corporations Act,

the rights conferred on the party by such a provision are exercisable by that party under this document.

- (c) Nothing in this clause is intended to imply that any of sections 415D, 434J or 451E of the Corporations Act would otherwise apply to any Transaction Document or provision of any Transaction Document, or that the application of any of those sections to this document or any other Transaction Document would not otherwise be wholly or partially excluded by reason of any other paragraph of regulation 5.3A.50(2) of the Corporations Regulations 2001 or by any provision of the Corporations (Stay on Enforcing Certain Rights) Declaration 2018.

EXECUTED as a deed

Schedule 1 Eligibility Criteria

The Eligibility Criteria for each Trust Receivable are as follows:

- (a) the Trust Receivable was advanced and is repayable in Australian dollars;
- (b) the term of the Trust Receivable does not exceed 30 years as at the Cut-Off Date and it matures at least 18 months prior to the Maturity Date;
- (c) the Trust Receivable is fully drawn (other than to the extent to which Redraws are available to the Obligor under such Trust Receivable) as at the Cut-Off Date;
- (d) the Trust Receivable is secured by a first ranking registered Mortgage over Land in Australia;
- (e) the Land subject to the related Mortgage has erected on it a residential dwelling which is not under construction;
- (f) the sale of the Trust Receivable does not contravene or conflict with any applicable law;
- (g) is the Trust Receivable is not in arrears by more than 30 days as at the Cut-Off Date;
- (h) the Trust Receivable has a total Outstanding Principal Balance of no more than A\$2,000,000 as at the Cut-Off Date;
- (i) the Trust Receivable has been or will be duly stamped or taken by the relevant stamp duties authority to be duly stamped with all applicable stamp duty;
- (j) the Trust Receivable has an LVR of less than or equal to 95%;
- (k) the Obligor has made at least one repayment under the Trust Receivable;
- (d) at the time the Seller entered into the Trust Receivable, the Trust Receivable complied in all material respects with all applicable laws, including the National Credit Legislation where applicable;
- (e) the terms of the Trust Receivable have not been impaired, waived, altered or modified in any respect, except by a written instrument forming part of the Trust Receivable;
- (f) the Trust Receivable are enforceable in accordance with their terms against the relevant Obligor (subject to laws relating to insolvency and creditors' rights generally);
- (g) at the time the Seller entered into the related Receivable, it did so in good faith;
- (h) the Trust Receivable was originated in the ordinary course of the Seller's business;

- (i) at the time the Seller entered into the related Trust Receivable, it had not received any notice of the insolvency or bankruptcy of the Obligor or that the Obligor did not have the legal capacity to enter into the Trust Receivable;
- (j) the Seller is the sole legal owner and the Transferor Trustee is the sole beneficial owner of the Trust Receivable and no Encumbrance exists in relation to its right, title and interests in the Trust Receivable (other than Encumbrances arising by operation of law or which will be released at the time of the assignment to the Trustee);
- (k) the Servicer holds all documents necessary to enforce the provisions of, and the security created by, the Trust Receivable;
- (l) the Seller has not received notice from any person that claims to have an Encumbrance ranking in priority to or equal with the Trust Receivable;
- (m) except if the Trust Receivable is subject to a fixed rate of interest at any time and except as may be provided by applicable laws or any binding provision, the interest payable on the Trust Receivable is not subject to any limitation and no consent, additional memoranda or other writing is required from the Obligor to give effect to a change in the interest rate payable on the Trust Receivable and any change will be effective on notice being given to the Obligor in accordance with the terms of the Trust Receivable;
- (n) the Transferor Trustee is lawfully entitled to assign the Trust Receivable and no consent to the sale and assignment of the Trust Receivable or notice of that sale and assignment is required to be given by or to any person including, without limitation, any Obligor;
- (o) upon the acceptance of the offer contained in a Transfer Notice, beneficial ownership of the Trust Receivable will vest in the Trustee free and clear of all Encumbrances (other than Encumbrances arising by operation of law); and
- (p) the sale of the Trust Receivable does not constitute a transaction at an undervalue, a fraudulent conveyance or a voidable preference under any insolvency laws.

Issue Supplement – Lion Series 2020-1 Trust


Signing page

DATED: 17 September 2020

Trustee

SIGNED, SEALED AND DELIVERED)
by)

as attorney for PERPETUAL)
CORPORATE TRUST LIMITED in its)
capacity as trustee of the Lion)
Series 2020-1 Trust under power of)
attorney dated 21 June 2017)
in the presence of:)


.....)
Signature of witness)

GAURAV NARRA)
.....)
Name of witness (block letters))

Srihitha Chinthala
Transaction Manager




.....)
By executing this document the)
attorney states that the attorney has)
received no notice of revocation of the)
power of attorney)

Security Trustee

SIGNED, SEALED AND DELIVERED)
by)

as attorney for P.T. LIMITED in its)
capacity as trustee of the Lion)
Series 2020-1 Security Trust under)
power of attorney dated 21 June 2017)
in the presence of:)


.....)
Signature of witness)

GAURAV NARRA)
.....)
Name of witness (block letters))

Srihitha Chinthala
Transaction Manager




.....)
By executing this document the)
attorney states that the attorney has)
received no notice of revocation of the)
power of attorney)

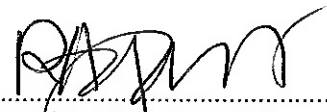
Manager, Seller and Servicer

SIGNED, SEALED AND DELIVERED)
by **ROBERT AGATI**)

as attorney for **HSBC BANK**)
AUSTRALIA LIMITED under power of)
attorney dated **16/11/2011**)
in the presence of:)

)
.....)
Signature of witness)

M. SOROKOPUT.)
.....)
Name of witness (block letters))



.....
By executing this document the
attorney states that the attorney has
received no notice of revocation of the
power of attorney