

Light Trust 2019-1

Information Memorandum

Mortgage Backed Pass-Through Floating Rate Securities

A\$598,000,000

CLASS A NOTES

Rating

“AAA”(sf) by S&P Global Ratings (Australia) Pty Limited

“AAAsf” by Fitch Australia Pty Ltd

A\$29,250,000

CLASS AB NOTES

Rating

“AAA” (sf) by S&P Global Ratings (Australia) Pty Limited

A\$8,120,000

CLASS B NOTES

Rating

“AA” (sf) by S&P Global Ratings (Australia) Pty Limited

A\$7,480,000

CLASS C NOTES

Rating

“A” (sf) by S&P Global Ratings (Australia) Pty Limited

A\$2,920,000

CLASS D NOTES

Rating

“BBB+” (sf) by S&P Global Ratings (Australia) Pty Limited

A\$4,230,000

CLASS E NOTES

Unrated

NATIONAL AUSTRALIA BANK LIMITED ABN 12 004 044 937

Arranger and Joint Lead Manager

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED ABN 11 005 357 522

Joint Lead Manager

MACQUARIE BANK LIMITED ABN 46 008 583 542

Joint Lead Manager

WESTPAC BANKING CORPORATION ABN 33 007 457 141

Joint Lead Manager

Date: 2 August 2019

No guarantee

None of the Notes represent deposits or other liabilities of Australian Central Credit Union Ltd ABN 11 087 651 125 trading as People's Choice Credit Union (**PCCU**), Australian Central Services Pty Ltd ACN 007 968 041 (the **Manager**), National Australia Bank Limited ABN 12 004 044 937 (in any capacity) (**NAB**), Australia and New Zealand Banking Group Limited ABN 11 005 357 522 (**ANZ**), Macquarie Bank Limited ABN 46 008 583 542 (**Macquarie**), Westpac Banking Corporation ABN 33 007 457 141 (**Westpac**) or any other member of the PCCU, NAB, ANZ, Macquarie or Westpac groups. None of PCCU, the Manager NAB, ANZ, Macquarie, Westpac or any other member of the PCCU, NAB, ANZ, Macquarie or Westpac groups guarantees the payment or repayment or the return of any principal invested in, or any particular rate of return on, the Notes or the performance of the Assets of the Series Trust.

In addition, none of the obligations of the Manager are guaranteed in any way by PCCU, NAB, ANZ, Macquarie or Westpac or any other member of the PCCU, NAB, ANZ, Macquarie or Westpac groups.

The Notes subject to investment risk

The holding of the Notes is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

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1. Important notice

Terms

References in this Information Memorandum to various documents are explained in section 14. Unless defined elsewhere, all other terms are defined in the Glossary in section 15. Sections 14 and 15 should be referred to in conjunction with any review of this Information Memorandum.

Purpose

This Information Memorandum relates solely to a proposed issue of Notes by Perpetual Corporate Trust Limited ABN 99 000 341 533, in its capacity as trustee of the Light Trust 2019-1 (the **Trustee**). The sole purpose of this Information Memorandum is to assist the recipient to decide whether to proceed with a further investigation regarding whether it should invest in the Notes. This Information Memorandum does not relate to, and is not relevant for, any other purpose.

This Information Memorandum relates only to the Notes to be issued by the Trustee on the Closing Date and does not apply to any Class A-R Notes which may be issued by the Trustee in the future on a Class A-R Issue Date. Without limiting the generality of the rest of this section 1, nothing in this Information Memorandum should be construed as constituting an offer to subscribe for or purchase or an invitation to buy any Class A-R Notes.

Limited Responsibility for Information

The Manager has prepared and authorised the distribution of this Information Memorandum and has accepted sole responsibility for the information contained in it.

None of PCCU, the Trustee (including in its personal capacity), P.T. Limited ABN 67 004 454 666 in its capacity as trustee of the Security Trust (the **Security Trustee**) and in its personal capacity, NAB, ANZ, Macquarie or Westpac have authorised, caused the issue of, or have (and expressly disclaim) any responsibility for, or made any statement in, any part of this Information Memorandum. Furthermore, neither the Trustee nor the Security Trustee (including each in their personal capacities) has had any involvement in the preparation of any part of this Information Memorandum.

Whilst the Manager believes the statements made in this Information Memorandum are accurate, neither it nor PCCU, the Trustee (including in its personal capacity), the Security Trustee (including in its personal capacity), NAB, ANZ, Macquarie or Westpac, nor any external adviser to any of the foregoing makes any representation or warranty, express or implied, as to, nor assumes any responsibility or liability for, the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement, opinion or forecast contained in this Information Memorandum or in any previous, accompanying or subsequent material or presentation.

No recipient of this Information Memorandum can assume that any person referred to in it has conducted any investigation or due diligence concerning, or has carried out or will carry out any independent audit of, or has independently verified or will verify, the information contained in this Information Memorandum.

No responsibility for Transaction Documents

Each of NAB as Arranger and Joint Lead Manager, and ANZ, Macquarie and Westpac as Joint Lead Managers, have no responsibility to or liability for and do not owe any duty to any person who purchases or intends to purchase Notes in respect of this transaction, including without limitation in respect of the preparation and due execution of the Transaction Documents and the power, capacity or due authorisation of any other party to enter into and execute the Transaction Documents.

No Guarantee by NAB, ANZ, Macquarie or Westpac entities

Investments in the Notes are not deposits or other liabilities of NAB or of any entity in the NAB group, of ANZ or of any entity in the ANZ group, of Macquarie or of any entity in the Macquarie group or of Westpac or of any entity in the Westpac group and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. None of NAB or any other member of the NAB group, ANZ or any other member of the ANZ group, Macquarie or any other member of the Macquarie group or Westpac or any member of the Westpac group, guarantees any particular rate of return or the performance of the Notes, nor do they guarantee the repayment of capital from the Notes.

NAB, ANZ, Macquarie and Westpac, each in its individual capacity and as Arranger and/or Joint Lead Manager, as the case may be:

- (a) has not authorised or caused the issue of this Information Memorandum or made or authorised the application for admission to listing and/or trading or any offer of any Notes to the public and has not separately verified the information contained in this Information Memorandum;
- (b) does not accept any responsibility for the admission to listing and/or trading of any of the Notes; and
- (c) does not accept any responsibility to or liability for and does not owe any duty to any person who purchases or intends to purchase the Notes in respect of this transaction, including without limitation in respect of the preparation and due execution of the Transaction Documents.

Date of this Information Memorandum

This Information Memorandum has been prepared as at 2 August 2019 (the **Preparation Date**), based upon information available, and the facts and circumstances known, to the Manager at that time.

Neither the delivery of this Information Memorandum, nor any offer or issue of the Notes, at any time after the Preparation Date implies or should be relied upon as a representation or warranty, that:

- (a) there has been no change since the Preparation Date in the affairs or financial condition of the Light Trust 2019-1 (the **Series Trust**), the Trustee, PCCU, the Manager or any other party named in this Information Memorandum; or
- (b) the information contained in this Information Memorandum is correct at such later time.

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

Neither the Manager, the Trustee (including in its personal capacity), the Security Trustee (including in its personal capacity), PCCU nor any other person accepts any responsibility to the Noteholders or prospective Noteholders to update this Information Memorandum after the Preparation Date with regard to information or circumstances which come to its attention after the Preparation Date.

Summary Only

This Information Memorandum is only a summary of the terms and conditions of the Notes and the Series Trust and is to assist each recipient to decide whether it will undertake its own further independent investigation of the Notes. This Information Memorandum does not purport to

contain all the information a person considering subscribing for or purchasing the Notes may require. Accordingly, this Information Memorandum should not be relied upon by intending subscribers or purchasers of the Notes. Instead, the definitive terms and conditions of the Notes and the Series Trust are contained in the Transaction Documents which should be reviewed by intending subscribers or purchasers of the Notes. If there is any inconsistency between this Information Memorandum and the Transaction Documents, the Transaction Documents should be regarded as containing the definitive information. A copy of the Transaction Documents may be obtained by intending subscribers or purchasers of the Notes, on the conditions contained in section 14, from the Manager.

This Information Memorandum should not be construed as an offer or invitation to any person to subscribe for or buy the Notes and must not be relied upon by intending subscribers or purchasers of the Notes.

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

Independent Investment Decision

This Information Memorandum is not intended to be, and does not constitute, a recommendation by the Manager, PCCU, the Trustee (including in its personal capacity), the Security Trustee (including in its personal capacity), NAB, ANZ, Macquarie or Westpac that any person subscribe for or purchase any Notes. Accordingly, any person contemplating the subscription or purchase of the Notes must:

- (a) make their own independent investigation of the terms of the Notes (including reviewing the Transaction Documents) and the financial condition, affairs and creditworthiness of the Series Trust, after taking all appropriate advice from qualified professional persons; and
- (b) base any investment decision on the investigation and advice referred to in paragraph (a) and not on this Information Memorandum.

No person is authorised to give any information or to make any representation which is not contained in this Information Memorandum and any information or representation not contained in this Information Memorandum must not be relied upon as having been authorised by or on behalf of PCCU, the Manager, the Trustee (including in its personal capacity), the Security Trustee (including in its personal capacity), NAB, ANZ, Macquarie or Westpac.

Distribution to Professional Investors Only

This Information Memorandum has been prepared on a confidential basis for distribution only to professional investors whose ordinary business includes the buying or selling of securities such as the Notes. This Information Memorandum is not intended for, should not be distributed to, and should not be construed as an offer or invitation to, any other person.

No Public Offer in Australia

Each offer for the issue, any invitation to apply for the issue, and any offer for sale of, and any invitation for offers to purchase, the Notes to a person under this Information Memorandum does not need disclosure to investors under the Corporations Act as either the minimum amount payable, by each person for the Notes on acceptance of the offer or application (as the case may be) is at least \$500,000 (calculated in accordance with both section 708(9) of the Corporations Act and regulation 7.1.18 of the Corporations Regulations 2001 (Cth.)) or it otherwise does not require disclosure to investors under Part 6D.2 of the Corporations Act and is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act. Accordingly, this Information Memorandum is not required to be lodged with the Australian Securities and Investments Commission as a disclosure document under Part 6D.2 or Chapter 7 of the Corporations Act. The distribution of this Information Memorandum and the offering or

invitation to subscribe for or buy the Notes in certain jurisdictions may be restricted by law. No action has been taken or will be taken which would permit the distribution of this Information Memorandum or the offer or invitation to subscribe for or buy the Notes, a public offering of the Notes, or possession or distribution of this Information Memorandum in any country or jurisdiction where action for that purpose is required.

A person may not (directly or indirectly) offer for issue or sale, or make any invitation to apply for the issue or to purchase, the Notes, nor distribute this Information Memorandum except if the offer or invitation:

- (a) does not need disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act; and
- (c) complies with any other applicable laws in all jurisdictions in which the offer or invitation is made.

Persons into whose possession this Information Memorandum comes are required by the Manager, NAB, ANZ, Macquarie and Westpac to inform themselves about and to observe any such restriction. Further details are set out in section 13.

Distribution by Macquarie

This Information Memorandum is intended solely for the use of wholesale clients as defined under the Corporations Act 2001 (Cth).

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MBLLB is registered in England and Wales (Branch No: BR002678, Company No: FC018220, Firm Reference No: 170934). MBIL is incorporated and registered in England and Wales (Company No. 06309906, Firm Reference No. 471080). The registered office for MBLLB and MBIL is Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD. MBLLB is authorised and regulated by the Australian Prudential Regulation Authority, authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. MBIL is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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Other than Macquarie, any Macquarie entity noted in this Information Memorandum is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). That entity's obligations do not represent deposits or other liabilities of Macquarie. Macquarie does not guarantee or otherwise provide assurance in respect of the obligations of that entity, unless noted otherwise.

Offshore Associates not to acquire Notes

Under present law, interest paid in respect of the Notes will not be subject to interest withholding tax if they are issued in accordance with certain prescribed conditions set out in section 128F of the Income Tax Assessment Act 1936 (**Tax Act**) and they are not acquired directly or indirectly by Offshore Associates (see definition of Offshore Associate below) of the Trustee or PCCU.

Accordingly, the Notes must not be acquired by any Offshore Associate of the Trustee or PCCU.

Noteholders and prospective Noteholders should obtain advice from their own tax advisors in relation to the tax implications of an investment in Notes.

Disclosure of Interests

Each of PCCU, the Manager, NAB, ANZ, Macquarie and Westpac discloses that it and its respective subsidiaries, directors and employees:

- (a) may have a pecuniary or other interest in the Notes; and
- (b) may receive fees, brokerage or commissions, and may act as principal, in any dealings in the Notes.

Conflicts

Each of the Arranger and Joint Lead Managers has disclosed to each of the Trustee, PCCU and the Manager that, in addition to the arrangements and interests it will or may have with respect to any party to a Transaction Document or any other person described in this Information Memorandum or as contemplated in the Transaction Documents (the **Transaction Document**

Interests), it, its respective Related Bodies Corporate, its Related Entities (as defined in paragraph below) and its respective directors, officers and employees:

- (a) may from time to time be a Noteholder or have pecuniary interests or other interests with respect to the Notes and they may also have interests relating to other arrangements with respect to a Noteholder or a Note; and
- (b) may receive or pay fees, brokerage and commissions or other benefits, and act as principal with respect to any dealing with respect to any Notes,

(the **Note Interests**).

Each purchaser of Notes acknowledges these disclosures and further acknowledges and agrees that without limiting any express obligation of any person under any Transaction Document:

- (a) each of the Arranger and the Joint Lead Managers and each of their respective Related Bodies Corporate, their respective Related Entities and their respective directors, officers and employees (each a **Manager Entity**) will have the Transaction Document Interests and may from time to time have the Note Interests and is, and from time to time may be, involved in a broad range of transactions including, without limitation, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research (**Other Transactions**) in various capacities in respect of the Trustee or the Manager or any other person, both on the Manager Entity's own account and for the account of other persons (the **Other Transaction Interests**);
- (b) each Manager Entity in the course of its business (whether with respect to the Transaction Document Interests, the Note Interests, the Other Transaction Interests or otherwise) may act independently of any other Manager Entity;
- (c) to the maximum extent permitted by applicable law, the duties of each Manager Entity in respect of the Trustee, PCCU and the Manager and the Notes are limited to the contractual obligations of the Arranger and each Joint Lead Manager to the Trustee, PCCU and the Manager as set out in the Transaction Documents and in particular, no advisory or fiduciary duty is owed to any person;
- (d) a Manager Entity may have or come into possession of information not contained in this Information Memorandum that may be relevant to any decision by a potential investor to acquire the Notes and which may or may not be publicly available to potential investors (**Relevant Information**);
- (e) to the maximum extent permitted by applicable law, no Manager Entity is under any obligation to disclose any Relevant Information to the Trustee, PCCU or the Manager or to any potential investor and neither this Information Memorandum nor any subsequent conduct by a Manager Entity should be construed as implying that the Manager Entity is not in possession of such Relevant Information; and
- (f) each Manager Entity may have various potential and actual conflicts of interest arising in the course of its business, including in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests. For example, the exercise of rights against the Trustee, PCCU or the Manager arising from the Transaction Document Interests (for example, by a dealer, an arranger or an interest rate swap provider or liquidity facility provider) or from an Other Transaction may affect the ability of the Trustee, PCCU or the Manager to perform its obligations in respect of the Notes. In addition, the existence of a Transaction Document Interest or Other Transaction Interest may affect how a Manager Entity, in another capacity (for example, as a Noteholder) may seek to exercise any rights it may have in that capacity. These interests may conflict with the interests of the Trustee, PCCU, the Manager or Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, a Manager Entity is not restricted from entering into, performing or

enforcing its rights in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests and may otherwise continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders, the Trustee, PCCU, Manager and the Manager Entities may in so doing act without notice to, and without regard to, the interests of any such person.

Each purchaser of Notes acknowledges and agrees that neither the Manager nor the Trustee is required to ensure that no conflicts of the sort described in this section arises, nor to monitor any such conflict. Neither the Manager nor the Trustee will be liable in any way for any loss suffered by any person (including any Noteholder) by reason of any conflict referred to in this section).

For the purposes of this section, the following definitions apply:

- (a) **Related Entity** means, in relation to an entity (the first entity):
- (i) a Subsidiary of the first entity;
 - (ii) an entity of which the first entity is a Subsidiary; or
 - (iii) a Subsidiary of another entity of which the first entity is also a Subsidiary.
- (b) **Subsidiary** has the meaning given in the Corporations Act 2001, but as if body corporate includes any entity. It also includes an entity whose profit or loss is required by current accounting practice to be included in the consolidated annual profit and loss statements of that entity or would be required if that entity were a corporation.

Limited Recovery

The Notes issued by the Trustee are limited recourse instruments and are issued only in respect of the Series Trust. The rights of a Noteholder to take action with respect to any amounts owing to it by the Trustee is limited to the Assets of the Series Trust in the manner prescribed by the Master Trust Deed and other Transaction Documents. This limitation will not apply to any obligation or liability of the Trustee to the extent that it is not satisfied because, under the Master Trust Deed or by operation of law, there is a reduction in the extent of the Trustee's indemnification out of the Assets of the Series Trust as a result of the Trustee's fraud, negligence or wilful default. See section 10.3.12 for further information on the Trustee's limited liability. Each Noteholder, by subscribing for any Note, acknowledges that the Trustee will not be taken to be fraudulent, negligent or in wilful default purely because the Trustee has relied on the Manager's preparation of this Information Memorandum.

None of PCCU, the Manager, any other member of the PCCU, NAB, ANZ, Macquarie, Westpac, any other member of the NAB, ANZ, Macquarie or Westpac groups, the Trustee (including in its personal capacity) or the Security Trustee (including in its personal capacity) guarantees the success of the Notes issued by the Trustee or the repayment of capital or any particular rate of capital or income return in respect of the investment by Noteholders in the Notes, nor do they make any statement (including, without limitation, any representation) with respect to income tax or other taxation consequences of any subscription, purchase or holding of the Notes or the receipt of any amounts thereunder or the performance of the Assets of the Series Trust.

EU Securitisation Regulation

Please refer to the section entitled "European risk retention rules and due diligence requirements" in section 5.18 for further information on the implications of the EU Retention Requirement, EU Transparency Requirements and EU Credit-Granting Requirements relevant to certain investors in the Notes.

No Eurosystem eligibility

As of the date of the Information Memorandum, the Notes are not recognised as eligible collateral (or recognised to fall into any specific category of eligible collateral) for the purpose of monetary policy and intra-day credit operations by the European Central Bank's liquidity scheme (**Eurosystem**) either upon issue or at any or all times while any Notes are outstanding, and there is no guarantee that any of the Notes will be so recognised at a future date. Eurosystem eligibility may affect the marketability of the Notes. Any potential investor in the Notes should make its own determinations and seek its own advice with respect to whether or not the Notes constitute Eurosystem eligible collateral.

Securities Act

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to US tax law requirements. Subject to certain exemptions, the Notes may not be offered, sold or delivered directly or indirectly within the United States or to or for the benefit of US persons (see section 13).

U.S. Risk Retention Rules

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

Each purchaser or transferee of Notes, including beneficial interests therein, in the offering will be deemed to have made certain representations and agreements including, and in certain circumstances will be required to execute a written certification of representation letter under which it will represent and agree, that it (1) either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Manager (on behalf of the Trustee), (2) is acquiring such Note for its own account and not with a view to distribution of such Note, and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the Safe harbor for certain non-U.S. transactions provided for by Section __.20 of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the requirements of the U.S. Risk Retention Rules described in section 5.24 (**U.S. Risk Retention**)). See section 5.24 for further details.

Prohibition of sales to EEA retail investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the

Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

The target market assessment in respect of the Notes by each distributor(s), solely for the purpose of its product governance determination under Article 10(1) of Delegated Directive (EU) 2017/593, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor subject to MiFID II subsequently offering, selling or recommending the Notes is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the distributor's target market assessment) and determining appropriate distribution channels.

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

Ratings

The Notes are expected on issue to be assigned an AAA (sf) by S&P and a AAAsf by Fitch Ratings in respect of the Class A Notes, AAA (sf) by S&P in respect of the Class AB Notes, AA (sf) by S&P in respect of the Class B Notes, A (sf) by S&P in respect of the Class C Notes and BBB+ (sf) by S&P in respect of the Class D Notes. The Class E Notes are unrated. Neither of the Designated Rating Agencies is established in the European Union and neither of the Designated Rating Agencies has applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) however their credit ratings are endorsed on an ongoing basis by Standard & Poor's Credit Market Services Europe Limited and Fitch Ratings Limited, respectively, pursuant to and in accordance with the CRA Regulation, subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Standard & Poor's Credit Market Services Europe Limited and Fitch Ratings Limited are established in the European Union and registered under the CRA Regulation. References in this Information Memorandum to S&P and/or Fitch Ratings shall be construed accordingly. As such each of Standard & Poor's Credit Market Services Europe Limited and Fitch Ratings Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation (on www.esma.europa.eu/page/List-registered-and-certified-CRAs). The European Securities and Markets Authority has indicated that ratings issued in Australia which have been endorsed by Standard & Poor's Credit Market Services Europe Limited and Fitch Ratings Limited may be used in the EU by the relevant market participants. Please also refer to "Credit Rating" in section 3 of this Information Memorandum. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Perpetual

Perpetual Trustee Company Limited has obtained an Australian Financial Services Licence under Part 7.6 of the Corporations Act (Australian Financial Services Licence No. 236643). Perpetual Trustee Company Limited has appointed P.T. Limited (ABN 67 004 454 666) to act as its authorised representative under that licence (Authorised Representative No. 266797).

Perpetual Corporate Trust Limited has obtained an Australian Financial Services Licence under Part 7.6 of the Corporations Act (Australian Financial Services Licence Number 392673).

Light Trusts documentation

The Series Trust is documented under the Master Trust Deed and the other Transaction Documents described in section 14. The Seller has taken the opportunity to amend and/or re-write its documentation for the Light Trusts in connection with this transaction. Accordingly, the Transaction Documents described in section 14 have all been entered into since the last publically offered Light Trust transaction sponsored by the Seller and are not the same as the transaction documents used to document previous Light Trust transactions sponsored by the

Seller. Investors who are familiar with the previous Light Trusts documentation should review this Information Memorandum carefully, as although they are similar, there are some differences in the rights and obligations of all the parties under the Transaction Documents as compared to those used to document previous Light Trusts and prospective investors should not assume that these will be identical. As indicated in section 14, the Transaction Documents are available for inspection by prospective investors on request.

Notification under Section 309B(1)(c) of the SFA

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the **CMP Regulations 2018**), all Notes shall be "capital markets products other than prescribed capital markets products" (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). This constitutes a notification to all relevant persons (as defined in Section 309A(1) of the SFA).

Certain Investment Company Act considerations

The Series Trust is not registered or required to be registered as an "investment company" under the Investment Company Act of 1940, as amended (the **Investment Company Act**). In determining that the Series Trust is not required to be registered as an investment company, the Series Trust does not rely on the exemption from the definition of "investment company" set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. As of the Closing Date, the Series Trust is intended to be structured so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (such statutory provision together with such implementing regulations commonly referred to as the "Volcker Rule").

Japanese Due Diligence and Risk Retention Rules

On 15 March 2019, the Japanese Financial Services Agency published the new due diligence and risk retention rules in relation to regulatory capital requirements with respect to the investment by certain Japanese financial institutions in securitisation transactions (the **Japan Due Diligence and Risk Retention Rules**). The Japan Due Diligence and Risk Retention Rules became applicable to Japanese financial institutions investing in securitisation products from 31 March 2019.

PCCU, as originator for the purposes of the Japan Due Diligence and Risk Retention Rules, intends to retain at least 5% of assets randomly selected from the asset pool simultaneously with the underlying assets of this securitisation transaction.

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

See section 5.26 for further details.

2. Summary of the issue

2.1 Summary only

The following is only a brief summary of the terms and conditions of the Notes. A more detailed outline of the key features of the Notes is contained in section 4.

2.2 General information regarding the Notes

Issuer:	The Trustee in its capacity as trustee of the Series Trust.
General Description:	The Notes are secured, pass-through, floating rate debt securities.
Classes:	<p>The Notes issued on the Closing Date are divided into 6 classes: the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.</p> <p>The Trustee may also issue Class A-R Notes on the Class A-R Issue Date to refinance the Class A Notes.</p>
Cut-Off Date:	17 June 2019.
Pricing Date:	25 July 2019, or such other date that the Manager and the Arranger agree.
Closing Date:	Subject to the satisfaction of certain conditions precedent, 2 August 2019.
Record Date:	The day which is 5 Business Days before each Distribution Date.
Determination Date:	The day which is 2 Business Days before each Distribution Date.
Distribution Date:	The 21st day of each month or if such a day is not a Business Day, the next Business Day. The first Distribution Date will be 23 September 2019 or such other date notified by the Manager to the Trustee and each Designated Rating Agency prior to the Closing Date.
Maturity Date:	The Distribution Date occurring in March 2051.
Aggregate of the Initial Invested Amount of the Class A Notes:	A\$598,000,000.
Aggregate of the Initial Invested Amount of the Class AB Notes:	A\$29,250,000.
Aggregate of the Initial Invested Amount of the Class B Notes:	A\$8,120,000.
Aggregate of the Initial Invested Amount of the Class	A\$7,480,000.

C Notes:

Aggregate of the Initial Invested Amount of the Class D Notes: A\$2,920,000.

Aggregate of the Initial Invested Amount of the Class E Notes: A\$4,230,000.

Aggregate of the Initial Invested Amount of the Class A-R Notes: The aggregate Initial Invested Amount of the Class A-R Notes that may be issued on the Class A-R Issue Date is described in section 4.15.

Denomination: Each Note has a denomination of \$10,000. The Notes will be issued in minimum parcels of \$500,000.

Issue Price: The Notes will be issued at par value.

Rating: The Notes will not be issued unless they are rated as follows by S&P Global Ratings (Australia) Pty Ltd ABN 62 007 324 852 (**S&P**) and/or Fitch Australia Pty Ltd ABN 62 007 324 852 (**Fitch Ratings**), as applicable, (**Fitch Ratings**, and S&P together the **Designated Rating Agencies**):

Class A Notes AAA (sf) by S&P and AAAsf by Fitch Ratings

Class A-R Notes as assigned on the Class A-R Issue Date.

Class AB Notes AAA (sf) by S&P

Class B Notes AA (sf) by S&P

Class C Notes A (sf) by S&P

Class D Notes BBB+ (sf) by S&P

Arranger: NAB.

Joint Lead Managers: NAB, ANZ, Macquarie and Westpac.

2.3 Interest on the Notes

Ranking of Notes for payments of Interest:

The amount available for the purpose of paying Interest due on the Notes on a Distribution Date in accordance with the Cashflow Allocation Methodology will be applied first in satisfying the Interest due on the relevant Distribution Date in respect of the Class A Notes and any Interest in respect of the Class A Notes remaining unpaid from prior Distribution Dates (pari passu and rateably as between the Class A Notes). Only after these amounts have been satisfied in full will the Interest due on the relevant Distribution Date in respect of the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and any Interest in respect of those classes of Notes remaining unpaid from prior Distribution Dates be paid, in that order, pari passu and rateably between each such class of Notes to the extent of

funds available for that purpose in accordance with the Cashflow Allocation Methodology.

A failure to pay interest on a subordinated Class of Notes on a Distribution Date will not trigger an Event of Default while any Notes of a more senior Class remain outstanding. Seniority for this purpose is determined in accordance with the priority of payments for distribution of Total Investor Revenues described in section 7.4.7. For further details on the Events of Default see section 9.4.2.

Calculation of Interest on the Notes:

Interest on each Note for an Interest Period will be calculated on the Invested Amount of the relevant Note at a rate based on the aggregate of BBSW on the first day of that Interest Period plus the applicable Margin for that class of Notes and, in the case of a Class A Note or a Class AB Note, if the Call Date has occurred on or before the first day of the relevant Interest Period, the Step-Up Margin. The Class A Notes will also be entitled to an additional step-Up in margin of 0.25% per annum if they are not redeemed in full from the proceeds of the issuance of Class A-R Notes on the Distribution Date in August 2024.

Interest will cease to accrue on a Note from (and including) the date the Invested Amount of the Note is reduced to zero or the date the Note is deemed to be redeemed in accordance with the Series Supplement (whichever is earlier).

The Margin for each Class of Notes (other than the Class A-R Notes) will be determined on the Pricing Date by agreement between the Manager and each Joint Lead Manager. The Margin for the Class A-R Notes will be as specified by the Manager as described in section 4.15.

The Step-Up Margin applicable to the Class A Notes and the Class AB Notes is 0.25% per annum.

For further details on the calculation of Interest on the Notes, see section 4.2.4.

Payment of Interest on the Notes:

Commencing on the first Distribution Date, subject to there being sufficient funds for this purpose in accordance with the Cashflow Allocation Methodology, Noteholders as of record on the day which is 5 Business Days before the relevant Distribution Date (such day being the **Record Date**) will be entitled to receive payments of Interest on the Notes monthly in arrears on the following Distribution Date.

For further details on payment of Interest on the Notes, see sections 4.2.5 and 7.4.7.

2.4 Repayment of principal on the Notes

Repayment of principal:

The Trustee must repay the outstanding principal on each Class of Notes on each Distribution Date in accordance with the directions of the Manager and to the extent of funds available for that purpose in accordance with the Cashflow Allocation Methodology to Noteholders as of record on the

preceding Record Date.

Prior to enforcement of the Security in accordance with the Master Security Trust Deed and the General Security Deed, the allocation of principal between the Notes will vary depending on whether or not the Serial Paydown Conditions are satisfied on the relevant Determination Date.

If the Serial Paydown Conditions are not satisfied on a Determination Date, the classes of Notes will rank sequentially, beginning with the Class A Notes, for the repayment of principal on the immediately following Distribution Date up to the Stated Amount of each class of Notes.

If the Serial Paydown Conditions are satisfied on a Determination Date, principal will be paid on a serial basis as between the classes of Notes on the immediately following Distribution Date up to the Stated Amount of each class of Notes.

Collections applied to a class of Notes, as described in the foregoing, will be used to repay principal in respect of each such class of Notes, *pari passu* and rateably as between the Notes in such class.

The Class A Notes may be refinanced in full on the Class A Refinancing Date (or on a subsequent Distribution Date) from the proceeds of issuance of Class A-R Notes, if the Trustee issues Class A-R Notes on any such Distribution Date.

For further information on repayment of principal on the Notes, see sections 4.3, 4.15 and 7.5.

Call Option:

On any Distribution Date on or after the Distribution Date falling immediately after the last day of the Collection Period on which the aggregate principal outstanding on the Mortgage Loans, when expressed as a percentage of the aggregate principal outstanding on the Mortgage Loans as at the Closing Date, is first at or below 10% (the **Call Date**) the Trustee may redeem all of the Notes. The Trustee will only exercise this Call Option at the direction of the Manager, which the Manager may give or withhold in its absolute discretion. The Notes will be redeemed at their then Invested Amount, subject to the following, together with all accrued but unpaid Interest to (but excluding) the date of redemption. Notwithstanding the foregoing, the Trustee may redeem the Notes at their then Stated Amount, instead of their Invested Amount, together with all accrued but unpaid Interest to (but excluding) the date of redemption, if the redemption of the Notes at their Stated Amount is approved by an extraordinary resolution of all the Noteholders at a meeting convened under the Master Security Trust Deed.

The Manager is required to send Noteholders notice of the redemption of the Notes in accordance with this Call Option not less than 5 Business Days prior to the relevant Distribution Date on which the Notes are to be redeemed.

For additional information on the Call Option, see section

2.5 The Mortgage Loans and Authorised Short-Term Investments

Purchase of Mortgage Loans:

On the Closing Date, the Trustee will use the proceeds from the issue of the Notes to purchase a pool of mortgage loans (the **Mortgage Loans**) and related mortgages and collateral originated by the Seller (some of which may currently be securitised in a Warehouse Trust (**Warehouse Mortgage Loans**)).

The purchase price for the Mortgage Loans will be \$649,988,408.84 (being the total principal balance outstanding as at the Cut-Off Date in respect of the purchased Mortgage Loans).

The Mortgage Loans have been sourced from the Seller's general portfolio of residential mortgage loans. They are required to be secured by a registered first ranking mortgage over Australian residential property. Further details in relation to the Mortgage Loans are contained in section 6.

Assignment of Mortgage Loans:

The Mortgage Loans and related mortgages and collateral securities will be initially assigned to the Trustee in equity. Only if a Perfection of Title Event occurs under the Master Sale and Servicing Deed will the Trustee have the power to take action to perfect its legal title to the Mortgage Loans and related mortgages and collateral securities. For further details on perfection of title, see section 10.2.10.

Custody of Mortgage Documents:

The Seller (or an agent or delegate appointed by it) will hold custody of the underlying Mortgage Documents on behalf of the Trustee from the Closing Date until a Document Transfer Event occurs. For further details on custody of the Mortgage Documents, see section 11.1.

Servicing:

The Seller has been appointed as the initial Servicer under the Master Sale and Servicing Deed and the Series Supplement. For further details on the Servicer, see sections 6.8 and 10.5.

Collections:

The Trustee will be entitled to all Collections comprising:

- (a) principal received on the Mortgage Loans from and including the Cut-Off Date; and
- (b) interest received on the Mortgage Loans from and including the Closing Date.

Notwithstanding this the Trustee will be obliged pay to the Seller on the first Distribution Date from those Collections an amount equal to the interest accrued on any Mortgage Loans acquired from the Seller from (and including) the previous due date for the payment of interest on each of the Mortgage Loans up to (but excluding) the Cut-Off Date (the **Accrued Interest Adjustment**).

In the case of the Warehouse Mortgage Loans, the Trustee may on the Closing Date, in addition to the Purchase Price,

also pay to the relevant Warehouse Trusts (in aggregate), an additional amount which will entitle the Trustee to further Collections accrued on the Warehouse Mortgage Loans in respect of interest during the period from the Cut-Off Date to the Closing Date, up to a certain amount (in aggregate) (the **Adjustment Advance**). It is not expected that an Adjustment Advance will be required in connection with this Series Trust.

For further details on the Accrued Interest Adjustment and the Adjustment Advance (if any) see section 7.4.6.

Moneys due by borrowers under the terms of the Mortgage Loans will be collected by the Servicer on behalf of the Trustee.

The Servicer must pay all Collections it receives into the Collections Account within 2 Business Days of receipt or, where Collections are not received by the Servicer but are otherwise payable by the Servicer or the Seller, within 2 Business Days of when they fell due for payment by the Servicer or the Seller. The Servicer agrees that it holds all Collections received by it on trust for the Trustee until paid to the Trustee as described in the foregoing.

The Servicer may, in its sole discretion, deposit amounts into the Collections Account in prepayment of its obligations to pay Collections into the Collections Account in these circumstances. Such prepaid amounts (**Outstanding Prepayment Amounts**) are, to the extent they are standing to the credit of the Collections Account, not available to the Security Trustee to apply as proceeds of the enforcement of the Security under the Master Security Trust Deed and the General Security Deed (see section 9.4.5).

The Servicer may from time to time request that the Trustee repay Outstanding Prepayment Amounts provided that the Servicer must continue to fulfil its obligation to deposit Collections in relation to the Mortgage Loans described above.

Collections in respect of each Collection Period will be distributed on the Distribution Date following the end of that Collection Period.

Clean-Up Offer:

On the Call Date or any subsequent Distribution Date the Seller may elect to repurchase the remaining Mortgage Loans on receipt of a written offer from the Trustee. The repurchase price (if the Seller elects to repurchase the remaining Mortgage Loans) (the **Clean-Up Settlement Price**) will be their Fair Market Value as at the last day of the immediately preceding Collection Period. If the Clean-Up Settlement Price is not at least equal to the principal outstanding plus accrued interest in respect of each Mortgage Loan, the repurchase will be subject to approval by way of an extraordinary resolution of the Noteholders. Further details on the Clean-Up Offer are contained in section 10.2.9.

Authorised Short-Term Investments:

The Trustee at the direction of the Manager may invest any excess funds in Authorised Short-Term Investments from time to time provided those Authorised Short-Term Investments are appropriately rated and mature on or before the due date

for any payments required to be made by the Trustee with the relevant funds. Securitisation exposures or resecuritisation exposures (each defined in Australian Prudential Standard 120 relating to securitisation) are not eligible Authorised Short-Term Investments.

2.6 Structural features

Mortgage Insurance:

The Noteholders' first level of protection against principal and/or interest losses on the Mortgage Loans is provided by the Mortgage Insurance Policies where a Mortgage Loan has the benefit of a Mortgage Insurance Policy. Not all of the Mortgage Loans will have the benefit of a Mortgage Insurance Policy. The relevant Mortgage Insurance Policy covers all principal and/or interest losses incurred (if any) on each Mortgage Loan. For further details on the Mortgage Insurance Policies, see section 8.

Excess Investor Revenues:

The Noteholders are protected, to a certain extent, against principal and/or interest losses on the Mortgage Loans by the monthly excess of the cash flow generated by the Mortgage Loans (after taking into account the operation of any swap under a Hedge Agreement) over the interest payments to be made on the Notes and other outgoings ranking pari passu with or in priority to the Notes. To the extent that there is such an excess in cash flow (the **Excess Investor Revenues**) available in relation to a Distribution Date, it will be used (in the following order and to the extent that there are amounts remaining after application towards each of the following) to:

- (a) reimburse any unreimbursed Principal Draws (see section 7.4.2);
- (b) reimburse amounts written off by the Servicer as uncollectible on the Mortgage Loans (being the **Defaulted Amount**) (see section 7.5.3);
- (c) reimburse any unreimbursed Charge-Offs in relation to the Notes (see section 7.7.3);
- (d) if the Excess Revenue Reserve Trapping Conditions are satisfied, be deposited into the Excess Revenue Reserve to the extent that the Excess Revenue Reserve is not equal to the Excess Revenue Reserve Amount Target Balance (see section 7.6.2);
- (e) be allocated to the Extraordinary Expense Reserve to the extent that the Extraordinary Expense Reserve is not equal to the Required Extraordinary Expense Reserve (see section 7.6.1);
- (f) pay the Joint Lead Managers amounts owing by the Trustee under any indemnity in the Dealer Agreement;
- (g) pay amounts in respect of increased costs and other subordinated amounts due to the relevant

provider under the Liquidity Facility and Redraw Facility (see section 7.6.2);

- (h) and to the Fixed Rate Swap Provider in an amount equal to the aggregate of any unrecovered Obligor Break Costs; and
- (i) pay each Hedge Provider any amounts owing and remaining unpaid, including subordinated termination payments.

Any amount remaining will be paid to the Income Unitholder. For a more detailed description of the Cashflow Allocation Methodology, see section 7.

Extraordinary Expense Reserve:

On the Closing Date the Seller must deposit an amount equal to \$150,000 (the **Required Extraordinary Expense Reserve**) into the Collections Account. This amount will be held by the Trustee as the **Extraordinary Expense Reserve**. The Extraordinary Expense Reserve is intended to cover Extraordinary Expenses incurred during any Collection Period or any remaining unpaid from prior Collection Periods.

The Extraordinary Expense Reserve will be topped up from Excess Investor Revenues, to the extent available for that purpose, if the Extraordinary Expense Reserve falls below the Required Extraordinary Expense Reserve on any Distribution Date.

For a more detailed description of the Extraordinary Expense Reserve, see section 7.6.1.

Allocation of Charge-Offs:

Class A Noteholders (or the Class A-R Notes, as the case may be) will have the benefit of Charge-Offs being allocated first to the Class E Notes, Class D Notes, the Class C Notes, the Class B Notes and the Class AB Notes (in that order). The Class AB Noteholders will have the benefit of Charge-Offs being allocated first to the Class E Notes, Class D Notes, the Class C Notes and the Class B Notes (in that order). The Class B Noteholders will have the benefit of Charge-Offs being allocated first to the Class E Notes, Class D Notes and the Class C Notes (in that order). The Class C Noteholders will have the benefit of Charge-Offs being allocated first to the Class E Notes and the Class D Notes (in that order). The Class D Noteholders will have the benefit of Charge-Offs being allocated to the Class E Notes.

That is, to the extent that there is a loss on a Mortgage Loan which is not satisfied by a claim under a Mortgage Insurance Policy (where available) or by the application of Excess Investor Revenues, the amount of the loss will be allocated to each class of Notes in the following order:

- (a) the Class E Notes;
- (b) the Class D Notes;
- (c) the Class C Notes;

- (d) the Class B Notes;
- (e) the Class AB Notes; and
- (f) the Class A Notes (or the Class A-R Notes, as the case may be),

pari passu and rateably between Notes of each such class, reducing the Stated Amount of each class of Notes until their Stated Amount is zero.

Collections Account:

Immediately prior to the Closing Date, the Trustee will establish an account (or accounts) (the **Collections Account**) into which all Collections received in respect of the Series Trust must be paid. The Extraordinary Expense Reserve and Excess Revenue Reserve will also be maintained in the Collections Account. The Collections Account must be maintained with an Eligible Depository.

If the Manager becomes aware that the financial institution with which the Collections Account is held ceases to be an Eligible Depository, then the Manager must notify the Trustee of that fact and, upon being so notified, the Trustee must promptly establish a new interest bearing Collections Account with an Eligible Depository and transfer the funds standing to the credit of the old Collections Account to the new Collections Account, within 60 calendar days.

As at the Closing Date the Collections Account is expected to be established with Macquarie.

Liquidity Facility:

If there is a Liquidity Shortfall Third, the Trustee may be able to request an advance under the Liquidity Facility up to a total aggregate amount equal to the un-utilised portion of the Liquidity Facility Limit, being the greater of 1.00% of the aggregate Invested Amount of the Notes at that time and 0.10% of the aggregate Invested Amount of the Notes on the Closing Date.

The provision of the Liquidity Facility will be subject to normal credit criteria. A prescribed rate of interest will be charged to the extent the Liquidity Facility is drawn and a line fee will be charged to the extent of the undrawn amount available to be drawn under the Liquidity Facility.

Drawings under the Liquidity Facility will be subject to certain conditions precedent.

NAB will be the initial Liquidity Facility Provider.

For further details on the Liquidity Facility, see section 9.2.

Excess Revenue Reserve:

If certain conditions are satisfied, an Excess Revenue Reserve will be created by trapping Total Investor Revenues available for that purpose on each Distribution Date until the amount standing to the credit of the Excess Revenue Reserve is equal to:

- (a) on any Distribution Date before the Call Date,

\$1,560,000;

- (b) on any Distribution Date on or from the Call Date, infinity; or
- (c) on the Maturity Date, zero,

(the **Excess Revenue Reserve Target Balance**).

The Excess Revenue Reserve may be applied as part of:

- (a) Total Investor Revenues on a Distribution Date for use as an Excess Revenue Reserve Draw Total Expenses to meet a Liquidity Shortfall First; and
- (b) Total Principal Collections on a Distribution Date for use as an Excess Revenue Reserve Draw Defaulted Amount to reimburse Unreimbursed Principal Draws, any Defaulted Amount and unreimbursed Charge-Offs.

For further details on the Excess Revenue Reserve, see sections 7.4.2 and 7.6.2.

Redraw Facility:

To the extent the Seller provides a Redraw and it is not reimbursed from Collections, the Redraw will be a deemed drawing under the Redraw Facility (provided that that Redraw Facility Limit would not be exceeded) and accrue interest from the date the Redraw is made. The Redraw Facility Limit is the lesser of:

- (a) the greater of:
 - (i) 0.80% of the aggregate Invested Amount of the Notes at that time; and
 - (ii) 10% of the limit on the Closing Date (after the issuance of the Notes on that date); or
- (b) such other percentage as is agreed in writing from time to time between the Manager and the Redraw Facility Provider (and in respect of which the Manager has issued a Rating Notification) or the amount (if any) to which the Redraw Facility Limit has been reduced at that time by the Manager or the Trustee in accordance with the Redraw Facility Agreement.

The provision of the Redraw Facility will be subject to normal credit criteria. A prescribed rate of interest will be charged to the extent the Redraw Facility is drawn and a line fee will be charged to the extent of the undrawn amount available to be drawn under the Redraw Facility.

Drawings under the Redraw Facility will be subject to certain conditions precedent.

PCCU will be the initial Redraw Facility Provider.

For further details on the Redraw Facility, see section 9.3.

Fixed Rate Swap and Basis Swap:

In order to hedge the mismatch between the rates of interest on the Mortgage Loans and the Trustee's floating rate obligations under the Notes, the Trustee and the Manager will enter into a Fixed Rate Swap, with respect to the fixed rate Mortgage Loans and a Basis Swap, with respect to the variable rate Mortgage Loans, in each case, with a Hedge Provider.

PCCU will be the initial Hedge Provider for the Fixed Rate Swap and the Basis Swap.

NAB will act as the Standby Swap Provider in respect of the Fixed Rate Swap. In certain circumstances this role will require NAB to assume the rights and obligations of PCCU as Hedge Provider under the Fixed Rate Swap.

The Fixed Rate Swap and Basis Swap will be governed by the terms of the relevant Hedge Agreement.

For further details in relation to the Fixed Rate Swap and the Basis Swap, see section 9.1.

Threshold Mortgage Rate:

If at any time the Basis Swap terminates prior to its scheduled termination date, the Manager must calculate the minimum weighted average rate of interest required to be set on Mortgage Loans which are subject to a variable rate, in order (together with any net amounts received under the Fixed Rate Swap, interest income credited to the Collections Account and other income received in respect of Authorised Short-Term Investments), to have sufficient Collections to enable it to comply with its obligations under the Transaction Documents for the next Interest Period as they fall due including the repayment of any Principal Draws by the Maturity Date of all Notes (or such other rate agreed between the Manager and the Seller provided that the Manager has issued a Rating Notification in relation to the proposed rate) (the **Threshold Mortgage Rate**). This obligation applies until such time as a replacement Basis Swap is entered into or other arrangements are entered into in respect of which the Manager has issued a Rating Notification.

The Manager must notify the Threshold Mortgage Rate to the Trustee, the Seller and the Servicer on each day it is calculated.

In these circumstances and until such time as a replacement Basis Swap or other arrangements contemplated above are entered into, the Servicer must:

- (a) reduce the rates at which the interest off-set benefits under the Interest Offset Accounts are calculated in accordance with requirements of the Series Supplement; and
- (b) if the income produced by taking such action is insufficient, reset the rate of interest payable on some or all of the Mortgage Loans to ensure that the weighted average of the variable rates charged by the Servicer on the Mortgage Loans are at least

equal to the Threshold Mortgage Rate calculated as at the previous Determination Date.

For further details in relation to the Basis Swap, see section 9.1.2.

Master Security Trust Deed and General Security Deed:

The obligations of the Trustee in respect of the Notes (among other obligations) are secured by security interest granted by the Trustee over the Assets of the Series Trust in favour of the Security Trustee pursuant to the Master Security Trust Deed and the General Security Deed. The Master Security Trust Deed, the General Security Deed and the order of priority in which the proceeds of enforcement of the security are to be applied are described in section 9.4.

2.7 Further information

Transfer:

Following their issue, the Notes may (unless lodged with Austraclear) only be purchased or sold by execution and registration of a Note Transfer. For further details, see sections 4.8 and 4.10.

The Notes can only be transferred if the relevant offer or invitation to purchase is not an offer or invitation to a person who is a "retail client" within the meaning of section 761G of the Corporations Act and the other conditions referred to in section 4.8 are complied with.

Austraclear:

Following issue, the Notes are expected to be lodged with Austraclear.

On admission to the Austraclear system, interests in the Notes may be held for the for the benefit of the Euroclear system or the system operated by Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the Notes in Euroclear would be held in the Austraclear system by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear while entitlements in respect of holdings of interests in the Notes in Clearstream, Luxembourg would be held in the Austraclear system by a nominee of JP Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in Notes held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg and their respective nominees and the rules and regulations of the Austraclear system.

In addition, any transfer of interests in Notes which are held through Euroclear or Clearstream, Luxembourg will to the extent such transfer will be recorded in the Austraclear system and is in respect of offers or invitations received in Australia be subject to the Corporations Act and the other restrictions summarised in this Information Memorandum. For further details, see section 4.10.

Stamp Duty:	The Manager has received advice that none of the issue, the transfer or redemption of the Notes will currently attract stamp duty in any jurisdiction of Australia. For further details, see section 12.7.
Withholding Tax and TFNs:	<p>Payments of principal and interest on the Notes will be reduced by any applicable withholding taxes (including FATCA Withholding Tax). The Trustee is not obligated to pay any additional amounts to a Noteholder to cover any withholding taxes. Under present law, the Notes will not be subject to Australian interest withholding tax if they are issued in accordance with certain prescribed conditions set out in section 128F of the Australian Income Tax Assessment Act 1936 (the Tax Act) and they are not acquired directly or indirectly by any Offshore Associates of the Trustee (in its capacity as trustee of the Series Trust) or the Seller (PCCU). Each Joint Lead Manager has agreed with the Trustee to offer the Notes for subscription or purchase in accordance with certain procedures intended to result in the public offer test being satisfied and all Notes having the benefit of the section 128F exemption. One of these conditions is that the Trustee must not know or have reasonable grounds to suspect that a Note or an interest in a Note was being, or would later be, acquired directly or indirectly by any Offshore Associates of the Trustee (in its capacity as trustee of the Series Trust) or PCCU (other than in the capacity of a dealer, underwriter or manager in relation to a placement of the Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme). Accordingly, Offshore Associates of the Trustee (in its capacity as trustee of the Series Trust) or PCCU should not acquire the Notes (subject to the exceptions noted). For further information see section 12.2.</p> <p>Any Class A-R Notes issued on the Class A-R Issue Date would need to be offered in a manner that satisfies the public offer test in section 128F of the Tax Act at the time of the issue of the Class A-R Notes, if payments of interest on such Notes are to have the benefit of the section 128F exemption described above.</p> <p>Under current tax law, tax will be withheld on payments to an Australian resident or a non-resident who holds an interest in the Notes in carrying on business at or through a permanent establishment in Australia, who does not provide a Tax File Number (TFN) or Australian Business Number (ABN) (where applicable) or proof of a relevant exemption.</p> <p>Noteholders and prospective Noteholders should obtain advice from their own tax advisers in relation to the tax implications of an investment in the Notes.</p>
Listing:	The Notes will not be listed or quoted on any security or stock exchange.
RBA repo eligibility:	The Manager has undertaken to the Joint Lead Managers to make an application to the Reserve Bank of Australia (RBA) for the purposes of ensuring that the Class A Notes are accepted as "eligible securities" which may be lodged as collateral in relation to a repurchase agreement entered into with the RBA.

The criteria for repo eligibility published by the RBA require, amongst other things, that certain information be provided by the Manager to the RBA at the time of seeking repo-eligibility and during the term of the Class A Notes, in order for the Class A Notes to be (and to continue to be) repo eligible. No assurance can be given that the application by the Manager for the Class A Notes to be repo eligible will be successful, or that the relevant Notes will continue to be repo eligible at all times even if they are eligible at the time of their initial issue. For example, subsequent changes by the RBA to its criteria could affect whether the Class A Notes continue to be repo-eligible.

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

Governing law

The issue of the Notes and the terms on which each Note is issued will be governed by the laws in force in the state of New South Wales.

3. Credit rating

The Notes will not be issued unless the Class A Notes are assigned long term credit ratings of AAA (sf) by S&P and AAAsf by Fitch Ratings, the Class AB Notes are assigned a long term credit rating of AAA (sf) by S&P, the Class B Notes are assigned a long term credit rating of AA (sf) by S&P, the Class C Notes are assigned a long term credit rating of A (sf) by S&P and the Class D Notes are assigned a long term credit rating of BBB+ (sf) by S&P. The Class E Notes are unrated.

The rating (if any) in respect of any Class A-R Notes issued on the Class A-R Issue Date will be as assigned to them by the relevant Designated Rating Agency on the Class A-R Issue Date.

The credit ratings of the Notes should be evaluated independently from similar ratings on other types of notes or securities. A credit rating by a Designated Rating Agency is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, qualification or withdrawal at any time by the relevant Designated Rating Agency. A revision, suspension, qualification or withdrawal of the credit ratings of the Notes may adversely affect the market price of the Notes. In addition, the credit ratings of the Notes do not address the expected timing of principal repayments under the Notes, only that principal will be received no later than the Maturity Date. Neither Designated Rating Agency has not been involved in the preparation of this Information Memorandum.

Each of the Designated Rating Agencies' credit ratings and related research are not intended for and must not be distributed to any person in Australia other than a wholesale client (as defined in Chapter 7 of the Corporations Act).

4. Description of the Notes

4.1 General description of the Notes

The Notes constitute debt securities issued by the Trustee in its capacity as trustee of the Series Trust. They are characterised as secured, pass-through floating rate debt securities and are issued with the benefit of, and subject to, the Master Trust Deed, the Master Sale and Servicing Deed, the Master Security Trust Deed, the Series Supplement and the General Security Deed.

The Notes to be issued on the Closing Date have been divided into six classes: the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. The Trustee may also issue Class A-R Notes on the Class A-R Issue Date to redeem the Class A Notes as described in section 4.15.

Prior to enforcement of the Security in accordance with the Master Security Trust Deed and the General Security Deed:

- (a) the classes of Notes will rank sequentially (beginning with the Class A Notes), as between the classes for the payment of Interest; and
- (b) the classes of Notes will rank sequentially (beginning with the Class A Notes), as between the classes, for the repayment of principal unless the Serial Paydown Conditions have been satisfied, in which case the classes of Notes will rank serially for the repayment of principal.

Following enforcement of the Security in accordance with the Master Security Trust Deed and the General Security Deed the classes of Notes will rank sequentially (beginning with the Class A Notes) as between the classes for payment of Interest and repayment of principal.

In all cases, as between Notes of each class, the Notes will rank equally in respect of payments of Interest and repayments of principal.

4.2 Interest on the Notes

4.2.1 Period for which the Notes accrue Interest

Each Note accrues interest from (and including) the Closing Date (or, in the case of the Class A-R Notes, the Class A-R Issue Date) and ceases to accrue interest from (and including) the earlier of:

- (a) the date on which the Invested Amount of the Note is reduced to zero; and
- (b) the date on which that Note is deemed to be redeemed as described in section 4.3.3.

4.2.2 Interest Periods

The period during which a Note accrues interest (as described above) is divided into periods (each an **Interest Period**). The first Interest Period commences on (and includes) the Closing Date and ends on (but does not include) the first Distribution Date. Each succeeding Interest Period commences on (and includes) a Distribution Date and ends on (but does not include) the next Distribution Date. The final Interest Period ends on (but does not include) the date on which interest ceases to accrue on the Notes (as described in section 4.2.1).

4.2.3 Interest Rates

The Interest Rate for the Interest Period in respect of the Notes is the aggregate of:

- (a) BBSW for the Interest Period; and

- (b) the applicable Margin for that class of Notes.

The Margin in respect of a:

- (a) Class A Note:

- (i) for the period from (and including) the Closing Date to (but excluding) the date which is the earlier of the Call Date and the Class A Refinancing Date, the margin determined on the Pricing Date by agreement between the Manager and each Joint Lead Manager for the Class A Notes; and
- (ii) from (and including) the earlier of the Call Date and the Class A Refinancing Date, the margin (expressed as a percentage per annum) applicable to that Class A Note as determined in accordance with paragraph (a)(i) above plus the Step-Up Margin;

- (b) Class A-R Note:

- (i) for the period from (and including) the Class A-R Issue Date to (but excluding) the Call Date, the margin for that period (expressed as a percentage per annum) applicable to that Class A-R Note as specified by the Manager for that period as described in section 4.15; and
- (ii) from (and including) the Call Date, the margin (expressed as a percentage per annum) applicable to that Class A-R Note as determined in accordance with paragraph (b)(i) above plus the Step-Up Margin;

- (c) Class AB Note:

- (i) for the period from (and including) the Closing Date to (but excluding) the Call Date, the margin determined on the Pricing Date by agreement between the Manager and each Joint Lead Manager for the Class AB Notes; and
- (ii) from (and including) the Call Date, the margin (expressed as a percentage per annum) applicable to that Class AB Note as determined in accordance with paragraph (c)(i) above plus the Step-Up Margin;

- (d) Class B Note, Class C Note, Class D Note and the Class E Note, the margin determined on the Pricing Date by agreement between the Manager and each Joint Lead Manager for each such Class of Notes.

The Margins for the Notes issued on the Closing Date to be agreed as contemplated by sections 4.2.3(a)(i), 4.2.3(c)(i) and 4.2.3(d) will be notified to prospective Noteholders by the Joint Lead Managers.

4.2.4 Calculation of Interest on the Notes

Interest on each Note, is calculated for each Interest Period:

- (a) on the Invested Amount of that Note on the first day of the Interest Period (after taking into account any reductions in the Invested Amount on that day);
- (b) at the Interest Rate for that Note for that Interest Period; and
- (c) on the actual number of days in that Interest Period and based on a year of 365 days.

4.2.5 Interest Payment on each Distribution Date

Interest on the Notes will be paid on each Distribution Date in arrears in respect of the Interest Period ending on that Distribution Date in accordance with the Cashflow Allocation Methodology.

If Total Investor Revenues available for payment of Interest on the Notes are insufficient for the payment in full of Interest on the Notes on a Distribution Date, the amount available will be applied first in satisfying on a pari passu and rateable basis the Interest due on the relevant Distribution Date in respect of the Class A Notes and any Interest in respect of the Class A Notes remaining unpaid from prior Distribution Dates (pari passu and rateably between the Class A Notes). Only after this amount has been satisfied will the Interest due on the relevant Distribution Date in respect of the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and any Interest in respect of those classes of Notes remaining unpaid from prior Distribution Dates be paid, in that order, pari passu and rateably between each such class of Notes.

A failure to pay Interest in relation to the Class A Notes within a specified period of time (see section 9.4.2) will be an Event of Default for the purposes of the Master Security Trust Deed. The Events of Default and the remedies available to Noteholders are detailed in sections 9.4.2 and 9.4.3. A failure to pay Interest on the Class AB Notes will not be an Event of Default for the purposes of the Master Security Trust Deed and General Security Deed while any Class A Notes are outstanding. A failure to pay Interest on the Class B Notes will not be an Event of Default for the purposes of the Master Security Trust Deed and the General Security Deed while any Class A Notes or Class AB Notes are outstanding. A failure to pay Interest on the Class C Notes will not be an Event of Default for the purposes of the Master Security Trust Deed and the General Security Deed while any Class A Notes, Class AB Notes or Class B Notes are outstanding. A failure to pay Interest on the Class D Notes will not be an Event of Default for the purposes of the Master Security Trust Deed and the General Security Deed while any Class A Notes, Class AB Notes, Class B Notes or Class C Notes are outstanding. A failure to pay Interest on the Class E Notes will not be an Event of Default for the purposes of the Master Security Trust Deed and the General Security Deed while any Class A Notes, Class AB Notes, Class B Notes, Class C Notes or Class D Notes are outstanding.

The method for calculating whether there are sufficient Total Investor Revenues available on a Distribution Date for the payment of Interest on the Notes for the Interest Period then ended (and any shortfalls of Interest from previous Interest Periods) is set out in the Cashflow Allocation Methodology as described in section 7.

4.3 Principal repayments on the Notes

4.3.1 Final redemption

Unless previously redeemed (or deemed to be redeemed) in full, the Notes will be redeemed at their then Stated Amount, together with all accrued but unpaid interest on the Distribution Date occurring in March 2051 (the **Maturity Date**).

4.3.2 Repayment of principal on the Notes

To the extent that Total Principal Collections are sufficient for this purpose (see section 7.5), repayments of principal on the Notes will be made on each Distribution Date to Noteholders as of record on the preceding Record Date.

Prior to enforcement of the Security in accordance with the Master Security Trust Deed and the General Security Deed, the allocation of principal between the Notes will vary depending on whether the Serial Paydown Conditions are satisfied on the relevant Determination Date.

If, on a Determination Date, the Serial Paydown Conditions are not satisfied, the classes of Notes will rank sequentially, beginning with the Class A Notes, for the repayment of principal on the immediately following Distribution Date.

If, on a Determination Date, the Serial Paydown Conditions are satisfied, principal will be paid on a serial basis as between the classes of Notes on the immediately following Distribution Date.

The amount available to be applied to redeem a class of Notes will be used to repay principal in respect of each Note of that class, *pari passu* and rateably as between those Notes, until the Stated Amount of each such class of Notes is reduced to zero.

On the Class A-R Issue Date the Trustee may, if so directed by the Manager (in its absolute discretion), redeem in full all (but not some only) of the Class A Notes by payment of their Invested Amount, together with all accrued interest payable in respect of those Class A Notes to (but excluding) the Class A-R Issue Date, by applying the proceeds of issue of the Class A-R Notes as described in section 4.15 and, in the case of interest, in accordance with the Cashflow Allocation Methodology. The Manager must send notice of such redemption to the Class A Noteholders not less than 5 Business Days before the Class A-R Issue Date. Once given, such notice is irrevocable and binding upon the Manager. For further details see section 4.15.

For further information on repayment of principal on the Notes, see section 7.5.

4.3.3 Redemption on final payment

Upon a final distribution being made in respect of the Notes in the circumstances described in section 10.6.4 or under the Master Security Trust Deed and the General Security Deed, the Notes will be deemed to be redeemed and discharged in full and any obligation to pay any accrued but unpaid interest, any then unpaid Stated Amount or any other amounts in relation to the Notes will be extinguished in full. Thereafter the Notes will cease to exist and the Noteholders will have no further rights or entitlements in respect of their Notes.

4.3.4 Call Option

The Trustee may, on the direction of the Manager on giving 5 Business Days' notice to the Noteholders, redeem all of the Notes on any Distribution Date falling on or after the Call Date.

The Manager may only direct the Trustee to redeem all the Notes in accordance with the foregoing if the Trustee will have sufficient funds available to it on the relevant Distribution Date to ensure that the Noteholders will receive the aggregate of the then Invested Amount of the Notes and all accrued but unpaid Interest to (but excluding) the date of redemption on the Notes, or otherwise, the aggregate Stated Amount of such Notes together with all accrued but unpaid Interest to (but excluding) the date of redemption of the Notes (rather than the Invested Amount) if the redemption at the Stated Amount is approved by an extraordinary resolution of all Noteholders at a meeting convened under the Master Security Trust Deed.

The Clean-Up Offer may, but need not, be exercised by the Seller in conjunction with the exercise by the Trustee of the Call Option in respect of the Notes.

The Trustee will not be required to redeem any Notes under this section 4.3.4 unless directed to do so by the Manager.

4.3.5 No payment in excess of Stated Amount

Other than under the Master Security Trust Deed and the General Security Deed, no amount of principal will be paid to a Noteholder in excess of the Stated Amount applicable to the Notes held by that Noteholder.

4.4 Payments

4.4.1 Method of payment

Any amounts payable by the Trustee to a Noteholder will be paid in Australian dollars and may be paid by:

- (a) a crossed "not negotiable" cheque made payable to the Noteholder (or the joint Noteholders, if applicable) and despatched by post to the registered address of the Noteholder (and in the case of joint Noteholders, to the registered address of the Noteholder whose name stands first in the Register) or otherwise despatched, delivered or made available for collection as the Noteholder may specify from time to time;
- (b) electronic transfer through Austraclear or any other clearing system approved by the Manager;
- (c) at the option of the Noteholder (which may be exercised on a Note Transfer), direct transfer to a designated bank account in Australia nominated in writing by the Noteholder; or
- (d) any other manner specified in the Transaction Documents or specified by the Noteholder and agreed to by the Manager and the Trustee.

4.4.2 Rounding of Interest and principal payments

All payments in respect of Interest and principal on the Notes will be rounded to the nearest one cent (half a cent or more being rounded upward).

4.5 Reporting of pool performance data

The Manager or a person nominated by the Manager will, on a monthly basis, publish on Bloomberg L.P. (or another similar electronic medium) pool performance data.

Pool performance data will include:

- (a) performance data relating to the Notes issued (including principal outstanding and Interest Rates);
- (b) Note Factors;
- (c) prepayment rates;
- (d) arrears statistics; and
- (e) loss statistics.

4.6 The Register of Noteholders

The Trustee will maintain the Register at its principal office in Sydney.

The Register will include the names and addresses of the Noteholders and a record of each payment made in respect of the Notes.

The Register is the only conclusive evidence of the title of a person recorded in it as the holder of a Note.

The Trustee may from time to time close the Register for periods not exceeding 35 Sydney/Adelaide Business Days in aggregate in any calendar year (or such greater period as may be permitted by the Corporations Act).

In addition to the above period, the Register may be closed by the Trustee at 4.30 pm (Sydney time) 5 Sydney/Adelaide Business Days prior to each Distribution Date (or such other Sydney/Adelaide Business Day as is notified by the Trustee to the Noteholders from time to time) (the **Record Date**) for the purpose of calculating entitlements to Interest and principal on the Notes. On each Distribution Date, principal and Interest on the Notes will be paid to those Noteholders whose names appear in the Register when the Register was closed prior to the Determination Date preceding that Distribution Date. The Register will be re-opened at the commencement of business on the Sydney/Adelaide Business Day immediately following each Distribution Date.

The Register may be inspected by a Noteholder during normal business hours in respect of information relating to that Noteholder only. Copies of the Register may not be taken by the Manager or Noteholders. However, the Trustee must make a copy of the Register available to the Manager within 1 Sydney/Adelaide Business Day of the Manager's request for a copy.

The Trustee, with the Manager's approval, may cause the Register to be maintained by a third party on its behalf, and require that person to discharge the Trustee's obligations in relation to the Register.

4.7 Note Certificates

No global definitive certificate or other instrument will be issued to evidence a person's title to Notes. Instead, each Noteholder will be issued with a certificate (**Note Certificate**) under which the Trustee acknowledges that the Noteholder has been entered in the Register in respect of the Notes referred to in that Note Certificate. A Note Certificate is not a certificate of title as to the relevant Notes. It cannot, therefore, be pledged or deposited as security nor can Notes be transferred by delivery of only a Note Certificate to a proposed transferee.

If a Note Certificate becomes worn out or defaced, then upon production of it to the Trustee, a replacement will be issued. If a Note Certificate is lost or destroyed, and upon proof of this to the satisfaction of the Trustee and the provision of such indemnity as the Trustee considers adequate, a replacement Note

Certificate will be issued. A fee not exceeding \$10 may be charged by the Trustee for a replacement Note Certificate.

4.8 Transfer of Notes

Subject to the following conditions, a Noteholder is entitled to transfer any of its Notes:

- (a) if the offer for sale or invitation to purchase to the proposed transferee by the Noteholder is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act;
- (b) if the transfer complies with any applicable laws in all jurisdictions in which the offer or invitation is made;
- (c) the transfer is in accordance with the listing and market rules of any exchange on which the Note is listed or quoted as those rules apply to the Note ((if applicable) as explained in section 4.11); and
- (d) unless lodged with Austraclear as explained in section 4.10, all transfers of Notes must be effected by a Note Transfer. Note Transfers are available from the Trustee's registry office. Every Note Transfer must be duly completed, duly stamped (if applicable), executed by the transferor and the transferee and lodged for registration with the Trustee accompanied by the Note Certificate for the Notes to which it relates.

For the purposes of accepting a Note Transfer, the Trustee is entitled to assume that it is genuine (unless it has actual knowledge to the contrary).

The Trustee is authorised to refuse to register any Note Transfer if:

- (a) it is not duly completed, executed and (if necessary) stamped;
- (b) it contravenes or fails to comply with the terms of the Master Trust Deed or the Series Supplement; or
- (c) the transfer would result in a contravention of, or a failure to observe the provisions of a law of the Commonwealth of Australia or of a State or Territory of the Commonwealth of Australia.

The Trustee is not bound to give any reason for refusing to register any Note Transfer and its decision is final, conclusive and binding. If the Trustee refuses to register any Note Transfer, it must as soon as practicable following that refusal, send to the transferor and the purported transferee notice of that refusal.

A Note Transfer will be regarded as received by the Trustee on the Sydney/Adelaide Business Day that the Trustee actually receives the Note Transfer at the place at which the Register is then kept. Subject to the power of the Trustee to refuse to register a Note Transfer, the Note Transfer will take effect from the beginning of the Sydney/Adelaide Business Day on which the Note Transfer is received by the Trustee. However, if a Note Transfer is received by the Trustee after 4.30 pm on a Sydney/Adelaide Business Day in Sydney the Note Transfer will not take effect until the next Sydney/Adelaide Business Day. If a Note Transfer is received by the Trustee during any period when the Register, or the relevant part of the Register, is closed for any purpose or on any weekend or public holiday, the Note Transfer will take effect from the beginning of the next Sydney/Adelaide Business Day on which the Register (or the relevant part of the Register) is open.

Where a Note Transfer is registered after the closure of the Register but prior to any payments that are due to be paid to Noteholders then Interest or principal due on the Notes on the following Distribution Date will be paid to the transferor and not the transferee.

Upon registration of a Note Transfer, the Trustee will, within 10 Sydney/Adelaide Business Days of registration, issue a Note Certificate to the transferee in respect of the relevant Notes and, where applicable, issue to the transferor a Note Certificate for the balance of the Notes retained by the transferor.

4.9 Marked Note Transfer

A Noteholder may request the Trustee, or any third party appointed by the Trustee to maintain the Register as described in section 4.6, to provide a marked Note Transfer in relation to its Notes. Once a Note Transfer has been marked by the Trustee or any such third party, for a period of 90 days thereafter (or such other period as is determined by the Manager), the Trustee or that third party will not register any transfer of the Notes described in the Note Transfer other than pursuant to that marked Note Transfer.

4.10 Lodgement of Notes in Austraclear

If Notes are lodged into the Austraclear system, Austraclear Limited will become the registered holder of those Notes in the Register. While those Notes remain in the Austraclear system:

- (a) all payments and notices required of the Trustee and the Manager in relation to those Notes will be directed to Austraclear Limited; and
- (b) all dealings and payments in relation to those Notes within the Austraclear system will be governed by the Austraclear Limited Regulations.

On admission to the Austraclear system, interests in the Notes may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the Notes in Euroclear would be held in the Austraclear system by HSBC Custody

Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the Notes in Clearstream, Luxembourg would be held in the Austraclear system by a nominee of JP Morgan Chase Bank, N.A as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in Notes held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominees and the rules and regulations of the Austraclear system.

In addition, any transfer of interests in the Notes which are held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear system, be subject to the Corporations Act and the other transfer restrictions summarised in section 4.8.

4.11 Listing of Notes

The Notes will not be listed or quoted on any security or stock exchange.

4.12 Limit on rights of Noteholders

Apart from any security interest arising under the Master Security Trust Deed and the General Security Deed (as to which see section 9.4), the Noteholders do not own and have no interest in the Series Trust or any of its assets. In particular, but without prejudice to the rights and powers of the Noteholders under the Master Security Trust Deed or General Security Deed, no Noteholder in its capacity as such is entitled to:

- (a) interfere with or question the exercise or non-exercise of the rights or powers of the Seller, the Servicer, the Custodian, the Manager or the Trustee in their dealings with the Series Trust or any Assets of the Series Trust;
- (b) require the transfer to it of any Asset of the Series Trust;
- (c) attend meetings or take part in or consent to any action concerning any property or corporation in which the Trustee has an interest;
- (d) exercise any rights, powers or privileges in respect of any Asset of the Series Trust;
- (e) lodge with a governmental agency or any person any caveat or other notice forbidding the registration of any person as transferee or proprietor of, or any instrument affecting, any Asset of the Series Trust or claiming any estate or interest in any Asset of the Series Trust;
- (f) negotiate or communicate in any way with any person in respect of any Mortgage Loan assigned to the Trustee or with any person providing a Support Facility to the Trustee;
- (g) seek to wind up or terminate the Series Trust;
- (h) seek to remove or terminate the appointment of the Servicer, the Trustee, the Custodian or the Manager;
- (i) take any proceedings including, without limitation, against the Trustee, the Manager, the Seller or the Servicer or in respect of the Series Trust or the Assets of the Series Trust. This will not limit the right of Noteholders to compel the Trustee, the Manager, the Custodian, the Security Trustee, the Seller or the Servicer to comply with their respective obligations to the Noteholder under the Master Trust Deed and the Transaction Documents (in the case of the Trustee and the Manager) and the Master Security Trust Deed and the General Security Deed (in the case of the Security Trustee);

- (j) have any recourse to the Trustee or the Manager in their personal capacity, except to the extent of the fraud, negligence or wilful default of the Manager or the fraud, negligence or wilful default of the Trustee or the Manager (respectively); or
- (k) have any recourse to the Seller, the Custodian or the Servicer in respect of a breach by the Seller, the Custodian or the Servicer of their respective obligations under any Transaction Document.

4.13 Notices to Noteholders

Notices, requests and other communications by the Trustee or the Manager to Noteholders may be made:

- (a) through Austraclear;
- (b) by advertisement placed on Bloomberg L.P. (or another similar, generally available electronic medium;
- (c) by advertisement placed on a Business Day in The Australian Financial Review (or other nationally delivered newspaper); or
- (d) by mail, postage prepaid, to the address of the Noteholder as shown in the Register, or email to the email address of the Noteholder as shown in the Register. Any notice so mailed or emailed shall be conclusively presumed to have been duly given, whether or not the Noteholder actually receives the notice.

4.14 Joint Noteholders

Where Notes are held jointly, any notices in relation to the Notes which are sent by mail or email will be sent only to the person whose name appears first in the Register.

Any moneys due in respect of Notes which are held jointly will be paid to the account or person nominated by the joint Noteholders for that purpose or, if an account or person is not nominated, only to the person whose name appears first on the Register, except that in the case of payment by cheque, the cheque will be payable to the joint Noteholders.

4.15 Class A-R Notes

The Manager must use reasonable endeavours to arrange the marketing of (or appoint one or more dealers to market) Class A-R Notes for issue on the Class A Refinancing Date with an aggregate Initial Invested Amount equal to the Invested Amount of the Class A Notes outstanding on that date (rounded up to an integral multiple of \$10,000) provided that the Manager complies with the requirements described in this section 4.15.

If the Manager is unable to arrange for the issue of Class A-R Notes on the Class A Refinancing Date in accordance with the above, the Manager may (but is not obliged to) arrange for such issue on any Distribution Date falling after the Class A Refinancing Date.

If the Manager is successful in marketing the Class A-R Notes as contemplated by the paragraphs above, the Manager will direct the Trustee to issue the Class A-R Notes on the Class A Refinancing Date or the proposed subsequent Distribution Date (as applicable) (the **Class A-R Issue Date**) provided it has given at least 2 Business Days prior notice to the Trustee and each Designated Rating Agency.

The Manager must not direct the Trustee to issue Class A-R Notes on the Class A-R Issue Date unless:

- (a) the Manager has given each Designated Rating Agency notice of the number of Class A-R Notes to be issued, aggregate Initial Invested Amount and Margin to be applicable to the Class A-R Notes;

- (b) the Margin for the Class A-R Notes is not more than the aggregate of the Margin for the Class A Notes and 0.25% (unless the Manager has issued a Rating Notification in respect of such greater Margin for the Class A-R Notes);
- (c) the Class A-R Notes will have the same long term credit rating as the Class A Notes as at the Class A-R Issue Date;
- (d) the Manager has issued a Rating Notification in respect of the proposed issuance of Class A-R Notes; and
- (e) the Manager has provided confirmation to the Trustee that the issuance of the Class A-R Notes will yield sufficient proceeds to redeem all of the Class A Notes at their Invested Amount on the Class A-R Issue Date.

The Manager must direct the Trustee to apply the proceeds received from the issuance of the Class A-R Notes on the Class A-R Issue Date (after application of the Cashflow Allocation Methodology on that Distribution Date) as follows:

- (a) first, towards repayment of the principal outstanding of the Class A Notes, pari passu and rateably amongst the Class A Noteholders until the principal outstanding is reduced to zero; and
- (b) second, the balance (if any) must be retained by the Trustee as Collections to be applied on the next following Distribution Date in accordance with the Cashflow Allocation Methodology.

On and from the redemption of the Class A Notes on the Class A-R Issue Date, references to Class A Note(s) and Class A Noteholder(s) in this Information Memorandum will be taken to be references to Class A-R Note(s) and Class A-R Noteholder(s), respectively, unless the context requires otherwise.

5. Some risk factors

The purchase, and subsequent holding, of the Notes is not free of risk. The risks described below are some of the principal risks inherent in the transaction for Noteholders and the discussion in relation to those Notes indicates some of the possible implications for Noteholders. However, an inability of the Trustee to pay Interest or principal on the Notes may occur for other reasons and the Manager does not in any way represent that the description of the risks outlined below is not exhaustive. It is only a summary of some particular risks. Further, although the Manager believes that the various structural protections available to Noteholders may lessen certain of these risks, there can be no assurance that these measures will be sufficient to ensure the payment or distribution of Interest or principal on the Notes on a timely or full basis. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and make their own independent investigation and seek their own independent advice as to the potential risks involved in purchasing and holding the Notes.

5.1 Limited liability under the Notes

The Notes are debt obligations of the Trustee in its capacity as trustee of the Series Trust. The Trustee's liability in respect of the Notes is limited to, and can be enforced against the Trustee only to the extent to which it can be satisfied out of, the Assets of the Series Trust out of which the Trustee is actually indemnified for the liability except in certain limited circumstances (as to which see section 10.3.12).

5.2 Secondary market risk

There is currently a limited secondary market for the Notes. Each Joint Lead Manager has undertaken to use reasonable endeavours, subject to market conditions, to assist Noteholders so requesting them to locate potential purchasers of Notes from time to time in order to facilitate liquidity in the Notes. There is no assurance that as a result of this action any secondary market will develop or, if one does develop, that it will provide liquidity of investment or will continue for the life of the Notes. No assurance can be given that it will be possible to effect a sale of the Notes; nor can any assurance be given that, if a sale takes place, it will not be at a discount to the acquisition price.

5.3 Timing of principal distributions

Set out below is a description of some circumstances in which the Trustee may receive early or delayed repayments of principal on the Mortgage Loans and, as a result of which, the Noteholders may receive repayments of principal on the Notes earlier or later than would otherwise have been the case:

- (a) enforcement proceeds received by the Trustee due to a borrower having defaulted on its Mortgage Loan;
- (b) receipt of insurance proceeds by the Trustee in relation to an insurance claim in respect of a Mortgage Loan;
- (c) repurchases of Mortgage Loans by the Seller as a result of any one of the following occurring:
 - (i) the discovery and subsequent notice by the Trustee, the Seller or the Manager, no later than 5 Business Days prior to the expiry of the Prescribed Period in relation to the relevant Mortgage Loan, that any representation or warranty made by the Seller in respect of that Mortgage Loan was incorrect when given (see sections 10.2.4 and 10.2.6);
 - (ii) the Seller making a Further Advance under a Mortgage Loan causes the Scheduled Balance for that Mortgage Loan to be, providing an additional feature in relation to a Mortgage Loan or for any similar purpose (which may include for example, permitting a borrower under a Mortgage Loan

which is subject to a variable rate of interest requesting that that Mortgage Loan be converted to a fixed rate of interest) (see section 10.2.7);

- (iii) there being a change in law which leads to the Series Trust being terminated early and the Mortgage Loans are then repurchased by the Seller or sold to a third party (see section 10.6); or
- (iv) the Seller exercising its option to repurchase the balance of the Mortgage Loans on or after the Call Date (see section 10.2.9);
- (d) the Servicer is obliged to service the Mortgage Loans in accordance with its Operations Manual or, to the extent not covered by the Operations Manual, the standards and practices of a prudent lender in the business of making residential home loans. There is no definitive view as to whether the standards and practices of a prudent lender in the business of making residential loans do or do not include the Servicer's own franchise considerations. If those considerations are included the Servicer would be entitled to consider its own reputation and future business writing prospects in making a determination as to how current Mortgage Loans are administered. Such a course may result in a delay of principal returns to Noteholders. The Servicer is, however, required to give undertakings as to how it will administer the Mortgage Loans (see section 10.5.1) and comply with the express limitations in the Master Sale and Servicing Deed;
- (e) the terms and conditions of the Mortgage Loans and related securities allow borrowers, with the consent of the Servicer, to substitute their mortgaged property with a different mortgaged property without necessitating the repayment of the Mortgage Loan in full. Mortgage Loans which are secured by mortgaged property which may be substituted in this way may show a slower rate of prepayment than Mortgage Loans secured by mortgaged property which cannot be substituted in this way; and
- (f) the terms and conditions of a Mortgage Loan and its related securities may allow a borrower to redraw funds previously prepaid by that borrower (see section 9.3 for a description of the Redraw Facility). This may slow the rate of prepayment on the Mortgage Loans.

5.4 Prepayment then non-payment

There is the possibility that borrowers who have prepaid an amount of principal under their Mortgage Loans do not continue to make scheduled payments under the terms of their Mortgage Loans. Consistent with standard Australian lending practice, the Servicer does not consider such a Mortgage Loan to be in arrears until such time as the actual principal balance has exceeded the then current Scheduled Balance.

The failure of borrowers to make payments when due after an amount has been prepaid under their Mortgage Loans may affect the ability of the Trustee to make timely payments of Interest and principal to Noteholders. If the Trustee has insufficient funds to pay Interest on the Notes because the above situation has occurred, the Trustee may be entitled to, in the following order:

- (a) apply the Excess Revenue Reserve for that purpose (see further section 7.4.2);
- (b) make a Principal Draw (see further section 7.4.3); and
- (c) make a drawing under the Liquidity Facility (as to which, see section 9.2) up to a total aggregate amount equal to the un-utilised portion of the Liquidity Facility Limit.

The Excess Revenue Reserve, Principal Draws and Liquidity Facility mitigate the risk of such a deficiency but may not be sufficient to cover the whole of the deficiency.

5.5 Delinquency and default risk

The Trustee's obligations to pay Interest and principal on the Notes in full is limited by reference to, amongst other things, receipts under or in respect of the outstanding Mortgage Loans. Noteholders must rely, amongst other things, for payment upon payments being made under the Mortgage Loans and on amounts available under the Mortgage Insurance Policies (where available) and, if and to the extent available, the Excess Revenue Reserve and money available to be drawn under the Liquidity Facility (see sections 7.4.2, 7.6.2 and 9.2).

If borrowers fail to make their monthly payments when due (other than when the borrower has prepaid principal under its Mortgage Loan, as to which see section 5.4), there is a possibility that the Trustee may have insufficient funds to make full payments of Interest on the Notes and eventual payment of principal to the Noteholders. A wide variety of local or international developments of a legal, social, economic, political or other nature could conceivably affect the performance of borrowers under their Mortgage Loans.

In particular, as at the Cut-Off Date, some of the Mortgage Loans will be set at variable rates. These rates are reset from time to time at the discretion of the Servicer (see section 6.8.5). It is possible, therefore, that if these rates increase significantly relative to historical levels, borrowers may experience distress and increased default rates on the Mortgage Loans may result.

If a borrower defaults on payments to be made under a Mortgage Loan and the Servicer seeks to enforce the mortgage securing the Mortgage Loan, many factors may affect the length of time before the mortgaged property is sold and the proceeds of sale are realised. In such circumstances, the sale proceeds are likely to be less than if the sale was carried out by the borrower in the ordinary course. Any such delay and any loss incurred as a result of the realised proceeds of the sale of the property being less than the principal amount outstanding at that time under the Mortgage Loan may affect the ability of the Trustee to make payments under the Notes, notwithstanding any amounts that may be claimed under available Mortgage Insurance Policies (see section 8) or the availability of the Excess Revenue Reserve or drawings under the Liquidity Facility (see sections 7.4.2, 7.6.2 and 9.2).

Noteholders will bear the investment risk resulting from the delinquency and default experience of the Mortgage Loans.

5.6 Servicer risk

The appointment of the Servicer may be terminated in certain circumstances which are outlined in section 10.5.4. If the appointment of the Servicer is terminated, the Trustee is obliged to find another entity to perform the role of Servicer for the Series Trust. The appointment of a substitute Servicer will only have effect once the Manager has issued a Rating Notification in relation to the appointment and the substitute Servicer has executed a document under which it agrees to assume the obligations of the Servicer to service the Mortgage Loans and related securities on the terms of the Transaction Documents. However, there is no guarantee that a substitute Servicer will be found who would be willing to service the Mortgage Loans and related securities on the same terms agreed to by the Servicer.

If the Trustee is unable to locate a suitable substitute Servicer, the Trustee must use best endeavours to perform the obligations of the Servicer (subject to agreeing a fee for doing so), until a suitable substitute Servicer is found. There are limitations on the liability of the Trustee in so acting and the Trustee does not have to so act if the relevant fee is not agreed. For further details see section 10.5.6.

The Servicer may also retire as Servicer by giving not less than 3 months' notice in writing to the Trustee, the Manager and each Designated Rating Agency (or such lesser period of notice as agreed between the Servicer, the Trustee, the Manager and notified by the Manager to each Designated Rating Agency). For further details see section 10.5.5.

The Noteholders also bear the risk that payments on the Notes may be delayed by a failure by the Servicer to pass through Collections in respect of the Mortgage Loans in accordance with the Transaction Documents.

5.7 Equitable assignment

The Mortgage Loans will initially be assigned to the Trustee in equity. If the Trustee declares that a Perfection of Title Event has occurred under the Master Sale and Servicing Deed (see section 10.2.10), the Trustee and the Manager must, amongst other things, take all such steps as are necessary to perfect the Trustee's legal title in the mortgages relating to the Mortgage Loans (see section 10.2.10 for further details on Perfection of Title Events). Until such time, the Trustee is not to take any such steps to perfect legal title and, in particular, it will not notify the borrowers or any security providers of the assignment of the Mortgage Loans.

The delay in the notification to a borrower of the assignment of the Mortgage Loans to the Trustee may have the following consequences:

- (a) until a borrower, guarantor or security provider has notice of the assignment, such person is not bound to make payment to anyone other than the Seller and can obtain a valid discharge from the Seller. However, the Seller is appointed as the initial Servicer of the Mortgage Loans and is obliged to deal with all moneys received from borrowers in accordance with the Master Sale and Servicing Deed and to service those Mortgage Loans in accordance with the Servicing Standards;
- (b) until a borrower, guarantor or security provider has notice of the assignment, rights of set-off or counterclaim may accrue in favour of the borrower, guarantor or security provider against its obligations under the Mortgage Loans which may result in the Trustee receiving less money than expected from the Mortgage Loans (see section 5.8 below);
- (c) for so long as the Trustee holds only an equitable interest in the Mortgage Loans, the Trustee's interest in the Mortgage Loans may become subject to the interests of third parties created after the creation of the Trustee's equitable interest but prior to it acquiring a legal interest. To reduce this risk, the Servicer has undertaken not to consent to the creation or existence of any security interest over the mortgages securing the Mortgage Loans; and
- (d) for so long as the Trustee holds only an equitable interest in the Mortgage Loans, the Seller must be a party to any legal proceedings against any borrower, guarantor or security provider in relation to the enforcement of any Mortgage Loan. In this regard, the Servicer undertakes to service (including enforce) the Mortgage Loans in accordance with the Servicing Standards.

In addition, section 80(7) of the PPSA provides that an obligor in relation to a receivable will be entitled to make payments to, and obtain a good discharge from, the seller of a receivable rather than directly to, and from, the purchaser of the receivable until such time as the obligor receives a notice of the assignment of the relevant receivable that complies with the requirements of sections 80(7)(a) of the PPSA (including a statement that payment is to be made to the purchaser of the receivable). If, however, an obligor receives a notice that complies with the requirements of section 80(7)(a) of the PPSA from any person other than the seller of the receivable, the obligor requests the purchaser of the receivable to provide proof of the assignment and the purchaser of the receivable fails to provide that proof within 5 Business Days of the request, the obligor may continue to make payments to the seller. Accordingly, after a Perfection of Title Event has occurred and legal title to the Mortgage Loans has been transferred to the Trustee, a borrower in relation to a Mortgage Loan may in certain circumstances nevertheless make payments to the Seller and obtain a good discharge from the Seller, notwithstanding the legal assignment of the relevant Mortgage Loan to the Trustee, if the Trustee fails to comply with these notice requirements. However, this risk is mitigated by the fact that the Seller will provide the Trustee with powers of attorney to permit the Trustee to give notice of such legal assignment of the Mortgage Loans to the relevant borrowers in the name of the Seller.

5.8 Set-off risk

The Mortgage Loans can only be sold free of set-off to the Trustee to the extent permitted by law. The consequence of this is that if a borrower, guarantor or security provider in connection with a Mortgage Loan has funds standing to the credit of an account with the Seller or amounts are otherwise payable to such a person by the Seller, that person may have a right on the enforcement of that Mortgage Loan or the related securities or on the insolvency of the Seller to set-off the Seller's liability to that person in reduction of the amount owing by that person in connection with that Mortgage Loan.

If the Seller becomes insolvent, it can be expected that borrowers, guarantors and security providers will exercise their set-off rights (if any) to a significant degree.

To the extent that, on the insolvency of the Seller set-off is claimed in respect of deposits, the amount available for distribution to the Noteholders may be reduced to the extent that those claims are successful.

5.9 Ability of the trustee to redeem the notes

The ability of the Trustee to redeem all the Notes at their aggregate Stated Amounts whilst any of the Mortgage Loans are still outstanding will depend upon whether the Trustee is able to collect or otherwise obtain an amount sufficient to redeem the Notes and to pay its other obligations in accordance with the Cashflow Allocation Methodology explained in section 7. Following the enforcement of the Security under the Master Security Trust Deed and General Security Deed, the Security Trustee will be required to apply moneys otherwise available for distribution in the order of the priority set out in the Master Security Trust Deed and the General Security Deed (described in section 9.4). The moneys available to the Security Trustee for distribution may not be sufficient to satisfy in full the claims of all or any of the Noteholders and neither the Security Trustee nor the Trustee will have any liability to the Noteholders in respect of any such deficiency. Although the Security Trustee may seek to obtain the necessary funds by means of a sale of the outstanding Mortgage Loans, there is no guarantee that there will be at that time an active and liquid secondary market for mortgages. Further, if there was such a secondary market, there is no guarantee that the Security Trustee will be able to sell the Mortgage Loans for the principal amount then outstanding under such Mortgage Loans.

Accordingly, the Security Trustee may be unable to realise the value of the Mortgage Loans, or may be unable to realise the full value of the Mortgage Loans which may impact upon its ability to redeem all outstanding Notes at that time.

5.10 Breach of representations and warranties made by the Seller

The Seller makes certain representations and warranties as at the Cut-Off Date to the Trustee in relation to the Mortgage Loans assigned by it to the Trustee (the **Seller Mortgage Loans**) and the Trustee will have the benefit of representations and warranties made by the Seller to the trustee of the relevant Warehouse Trust in relation to the Warehouse Mortgage Loans (when those Warehouse Mortgage Loans were first assigned by the Seller to the trustee of the Warehouse Trust) as at the date those Warehouse Mortgage Loans were assigned by the Seller to the trustee of the Warehouse Trust (see further section 10.2.4). The Trustee has not investigated or made any enquiries regarding the accuracy of these representations and warranties. Under the Transaction Documents the Trustee is under no obligation to test the truth of the representations and warranties and is entitled to rely entirely upon the representations and warranties being correct unless it is actually aware of any breach (see section 10.2.5). The Seller has agreed in the Master Sale and Servicing Deed to repurchase any Seller Mortgage Loan in respect of which it is discovered by the Trustee, the Manager or the Seller within the Prescribed Period in relation to the relevant Seller Mortgage Loan that any one of the representations and warranties given by the Seller was incorrect when given and notice of such discovery is given by the Manager or the Seller to the Trustee or by the Trustee to the Seller, as applicable, no later than 5 Business Days prior to the expiry of the relevant Prescribed Period. If the Trustee discovers that a representation and warranty was incorrect when given in relation to a Seller Mortgage Loan after the last day that the above notice can be given, the Seller has agreed to pay

damages to the Trustee for any loss or costs incurred by the Trustee. However, the amount of such loss or costs cannot exceed the principal amount outstanding and accrued but unraised interest and any outstanding fees in respect of the Seller Mortgage Loans. A similar process applies in the context of the Warehouse Mortgage Loans. Besides these 2 remedies, there is no other express remedy available to the Trustee in respect of a breach of the representations and warranties given in respect of the Mortgage Loans. The rights of the Trustee in respect of any representation or warranty given in relation to the Mortgage Loans by the Seller being incorrect are described in more detail in section 10.2.6.

5.11 Recent origination of the Mortgage Loans

The Mortgage Loans have all been originated in a period from July 1997 to the Cut-Off Date.

Accordingly, there may be some Mortgage Loans that are not fully seasoned and may display different characteristics (including payment and repayment characteristics, and default risk) until they are fully seasoned.

5.12 Tax risks

Attention is drawn to the discussion of taxation considerations in section 12.

5.13 The Mortgage Insurance Policies

A claim under a Mortgage Insurance Policy may be refused or reduced in certain circumstances if one of the exclusions to the Mortgage Insurance Policies applies (see generally section 8) including in the event of a misrepresentation or a breach of any duty of disclosure by the insured (see section 8). Not all of the Mortgage Loans will have the benefit of a Mortgage Insurance Policy.

This may affect the ability of the Trustee to make timely payments of Interest and principal on the Notes.

However, in respect of certain of these circumstances, the Trustee may have recourse to the Seller either for breach of a representation and warranty (see section 10.2.4) or for breach of its obligations as Servicer.

5.14 Geographic concentration of Mortgage Loans

To the extent that the Series Trust contains a high concentration of Mortgage Loans secured by properties located within a single state or region within Australia, any deterioration in the real estate values or the economy of any of those states or regions could result in higher rates of delinquencies, foreclosures and losses than expected on the Mortgage Loans. In addition, these states or regions may experience natural disasters, which may not be fully insured against and which may result in property damage and losses on the Mortgage Loans. These events may in turn have a disproportionate impact on funds available to the Series Trust which could cause investors to suffer losses.

5.15 Australian Anti-Money Laundering and Counter-Terrorism Financing Act

An entity has obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act (the **AML/CTF Act**), where it provides a designated service which includes:

- (a) opening or providing certain accounts, allowing any transaction in relation to such an account or receiving instructions to transfer money in and out of such an account;
- (b) making loans to a borrower or allowing a transaction to occur in respect of that loan in certain circumstances;
- (c) providing a custodial or depository service;

- (d) issuing or selling a security in certain circumstances; and
- (e) exchanging one currency for another in certain circumstances.

These obligations will include undertaking customer due diligence before a designated service is provided. The obligations also include, but are not limited to, conducting on-going customer due diligence and reporting of suspicious and other transactions.

The obligations placed upon an entity can affect the services of an entity or the funds it provides and ultimately may result in a delay or decrease in the amounts an investor receives.

5.16 Changes to Australian consumer law

Unfair Contracts

Additional consumer protections took effect from 1 July 2010 through the Trade Practices Amendment (Australian Consumer Law) Act (No. 1) 2010 (**TPA Act**). The TPA Act introduced an unfair contract terms regime through amendments to the Australian Securities and Investment Commission Act 2001 (Cth) and the Australian Consumer Law in Schedule 2 of the Australian Competition and Consumer Act 2010 (Cth) (as the Trade Practices Act 1974 (Cth) was subsequently renamed). Under the regime a term of a standard-form consumer contract will be unfair, and therefore void, if it causes a significant imbalance in the parties' rights and obligations under the contract, is not reasonably necessary to protect the supplier's legitimate interests and it would cause detriment to a party if applied or relied on. This regime has since been extended to standard-form small-business contracts with effect from 12 November 2016.

The regime will only apply to Mortgage Loans that are consumer contracts entered into before 1 July 2010 or small-business contracts entered into before 12 November 2016 if they are varied on or after the relevant commencement date, and then only in relation to the term as varied in relation to conduct that occurs after the variation.

The National Credit Code

The National Credit Code took effect in all states and territories of Australia on 1 July 2010. The National Credit Code was implemented as part of the National Consumer Credit Protection Act 2009 (Cth) and largely replicates the UCCC which previously applied in the states and territories of Australia.

Under the National Credit Code, ASIC or an Obligor of a regulated Mortgage Loan may have the right to apply to a court to:

- (a) vary a Mortgage Loan on the grounds of hardship or that it is an unjust contract;
- (b) annul or reduce any:
 - (i) interest rate change;
 - (ii) establishment fee;
 - (iii) early termination fee; or
 - (iv) fee or charge for prepayment of an amount,

payable on a Mortgage Loan if the court is satisfied that the change, fee or charge is unconscionable;
- (c) if a credit activity has been engaged in without a licence and no relevant exemption applies, issue an order it considers appropriate to compensate for loss and to prevent loss. This could include an order declaring a contract, or part of a contract, to be void,

varying the contract, refusing to enforce, ordering a refund of money or return of property, payment for loss or damage or being ordered to supply specified services;

- (d) have certain provisions of a Mortgage Loan or Mortgage which are in breach of the legislation declared unenforceable; or
- (e) obtain restitution or compensation from the Trustee in relation to any breach of the National Credit Code.

Applications may also be made to a relevant external dispute resolution scheme which has the power to resolve disputes where the amount in dispute is \$500,000 or less. There is no ability to appeal from an adverse determination by an external dispute resolution scheme, including on the basis of bias, manifest error or want of jurisdiction.

Where a systematic contravention affects contract disclosures across multiple Mortgage Loans, there is a risk of a representative or class action under which a civil penalty could be imposed in respect of all affected Mortgage Documents. If Obligors suffer any loss, orders for compensation may be made.

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

Any such order may affect the timing or amount of interest, fees and charges or principal repayments under the relevant Mortgage Loan which may in turn affect the timing or amount of payment of interest or principal repayments under the Notes.

In addition, if a Perfection of Title Event occurs, the Trustee will be subject to the penalties and compensation provisions under the National Credit Code. To the extent that the Trustee is unable to claim damages from the Servicer where the Trustee suffers a loss in connection with a breach of the National Credit Code, the Assets of the Trust will be applied to indemnify the Trustee in priority to any payments in respect of the Notes.

The National Credit Code also has significant consequences for a wide range of participants in the credit industry, including credit providers, finance brokers and other intermediaries. In particular, the National Credit Code:

- (a) introduced a national licensing regime, which requires credit providers and certain other intermediaries to apply to ASIC for an Australian Credit Licence (**ACL**) (all persons engaging in credit activities will need to be licensed from 1 July 2011);
- (b) imposes responsible lending requirements on ACL holders and others designed to protect consumers from being offered loans that are unsuitable for them or that they cannot afford; and
- (c) imposes new disclosure obligations on ACL holders and others.

5.17 Personal Property Securities Act 2009 (Cth)

A personal property securities regime commenced operation throughout Australia on 30 January 2012 pursuant to the Personal Property Securities Act 2009 (Cth) (**PPSA**). The PPSA adopts a "functional approach" to security interests. This means that the PPSA regulates any interest in relation to personal property that, in substance, secures payment or performance of an obligation. In addition, the PPSA regulates security interests which are deemed to arise upon the transfer of certain types of assets (including loans); these are generally referred to as "deemed security interests". The PPSA does not regulate the granting of security interests in land. It applies to the security interest granted by the Trustee to the Security Trustee under the General Security Deed but only over those assets that are personal property (as defined in the PPSA). It also applies to the interest of the Trustee as transferee of the beneficial interest in the Mortgage Loans.

As the personal property security regime is still reasonably new to the Australian security landscape and many aspects of it are untested, there remains uncertainty as to its implementation from a legal and practical perspective. There is a risk that, in some circumstances, the priority of an interest under the personal property security regime is different from its priority under the previous regime. As a result, there could be delays and/or reductions in collections on the Mortgage Loans available to make payments on the Notes.

Although the Trustee is required under the Master Security Trust Deed to, upon the request of the Security Trustee, take such actions as are necessary or appropriate to, among other things, more satisfactorily secure to the Security Trustee the payment of the corresponding Secured Moneys or assure or more satisfactorily assure the Collateral to the Security Trustee, and each of PCCU, the Servicer and the Manager agree to do all things reasonably necessary (including, without limitation, directing the Trustee or the Security Trustee to take any required action) to permit the Security to be perfected by registration on the PPS Register and to otherwise perfect the Trustee's interest in the Assets of the Series Trust in the context of the PPSA, there can be no assurance that such actions will be successful in achieving such perfection.

On 4 April 2014 the Attorney General announced a review of the PPSA as required by the Act itself. A Final Report was tabled before the Australian Parliament in March 2015 and includes recommendations on improvements to the PPSA. At this stage the impact of any such proposals, if adopted, on the Series Trust is not clear but it would not be anticipated to be materially prejudicial to Noteholders.

5.18 European risk retention rules and due diligence requirements

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

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

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

- (a) a requirement under Article 6 of the New Securitisation Regulation that the originator, the original lender or the sponsor of a securitisation commits to retain, on an ongoing basis, a material net economic interest in the relevant securitisation of not less than 5% in respect of certain specified credit risk tranches or asset exposures (the **EU Retention Requirement**);
- (b) a requirement under Article 7 of the New Securitisation Regulation that the originator, sponsor and securitisation special purpose entity of a securitisation make available to holders of a securitisation position, European Union competent authorities and (upon request) potential investors certain prescribed information in loan- level data (the **EU Transparency Requirements**); and
- (c) a requirement under Article 9 of the New Securitisation Regulation that originators, sponsors and original lenders of a securitisation apply to exposures to be securitised the same sound and well-defined criteria for credit-granting which they apply to non-securitised exposures, and have effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough

assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting its obligations under the credit agreement (the **EU Credit-Granting Requirements**).

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

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

PCCU explicitly discloses that, as contemplated by the EU Retention Requirement, it will retain on an ongoing basis, a net economic interest of at least 5 per cent. in the nominal value of the securitisation on the Closing Date. As at the Closing Date such net economic interest will be comprised of an interest in randomly selected exposures equivalent to no less than 5 per cent. of the aggregate principal outstanding of the securitised exposures in accordance with paragraph (3)(c) of Article 6 of the New Securitisation Regulation. PCCU will confirm its ongoing retention of the net economic interest described above in the monthly investor reports and any change to the manner in which such interest is held will be notified to Noteholders. Such retention by PCCU will be subject to any requirement of law and PCCU will not be in breach of its risk retention undertaking where it cannot comply due to events, actions or circumstances beyond PCCU's control.

Certain aspects of the EU regime, particularly aspects of the EU Transparency Requirements, are to be further specified in regulatory technical standards to be adopted by the European Commission as delegated regulations. Such regulatory technical standards have not yet been adopted by the European Commission. As such, neither PCCU (as the originator of the receivables to be securitised and included in the Series Trust) nor any other party to the Transaction Documents undertakes to satisfy the EU Transparency Requirements or the EU Credit-Granting Requirements in accordance with the requirements of the New Securitisation Regulations.

Each Affected Investor should consult with their own legal and regulatory advisors to determine whether, and to what extent, the information described above and in the Information Memorandum is sufficient for compliance by that Affected Investor with any applicable provisions of the New Securitisation Regulations. Any failure to comply with the provisions of the New Securitisation Regulations may, amongst other things, have a negative impact on the value and liquidity of the Notes, and otherwise affect the secondary market for the Notes.

Prospective investors should make their own independent investigation and seek their own independent advice as to (1) the requirements of the provisions of the New Securitisation Regulations (and any technical standards which are to be passed in respect of them); (2) the regulatory capital treatment of their investment (or the liquidity of such investment as a result thereof); and (3) the sufficiency of the information described above and in this Information Memorandum generally for the purposes of complying with the provisions of the New Securitisation Regulations (now and at any time in the future) and none of the Manager, the Trustee, the Security Trustee, PCCU, ANZ, NAB, Macquarie, Westpac (each in any capacity) nor any other person: (i) makes any representation that the information described above or in the Information Memorandum is sufficient in all circumstances for such purpose; or (ii) accepts any liability to any prospective investor or any other person for any insufficiency in respect of such information or any failure of the transaction contemplated herein to comply with or otherwise satisfy the requirements of the provisions of the New Securitisation Regulations or any other applicable legal, regulatory or other requirements.

5.19 FATCA

The Foreign Account Tax Compliance Act (**FATCA**) was enacted by the United States Congress in March 2010 as part of its efforts to improve compliance with their tax laws. FATCA is aimed at detecting US taxpayers who use accounts with offshore (non-US) financial institutions to conceal income and assets from the US Internal Revenue Service (**IRS**). The relevant provisions are contained in the US Internal Revenue Code 1986 and are supplemented by extensive US Treasury Regulations that were issued on 17 January 2013 (and have been subject to subsequent amendment).

FATCA focuses on reporting by:

- (a) US taxpayers about certain foreign financial accounts and offshore assets; and
- (b) foreign (non-US) financial institutions about financial accounts held by US taxpayers or foreign entities in which US taxpayers hold a substantial ownership interest (**U.S. Persons**).

The objective of FATCA is the reporting of foreign (non-US) financial assets; withholding at 30 per cent is the cost of not reporting. This means that FATCA will impose certain due diligence and reporting obligations on foreign (non-US) financial institutions. To avoid being withheld upon, a foreign financial institution would ordinarily be required to register with the IRS, obtain a Global Intermediary Identification Number (**GIIN**) and report certain information on US accounts to the IRS. However, where a jurisdiction enters into an Intergovernmental Agreement (a **FATCA Agreement**) with the US to implement FATCA, the reporting and other compliance burdens on the financial institutions in that jurisdiction may be simplified.

On 28 April 2014 the Treasurer, on behalf of the Australian Government, and the US Ambassador to Australia, on behalf of the US Government, signed a FATCA Agreement. Under the FATCA Agreement between Australia and the United States:

- (a) reporting Australian Financial Institutions (**Reporting AFIs**) will report to the Commissioner of Taxation and that information will be made available to the IRS;
- (b) certain Australian institutions and accounts will be exempt from FATCA (e.g. superannuation funds);
- (c) Reporting AFIs, that is, Australian Financial Institutions that are not exempt, will need to:
 - (i) register with the IRS and obtain a GIIN; and
 - (ii) undertake due diligence procedures on accounts existing on 1 July 2014 as well as accounts opened after that date, identify where those accounts are held by U.S. Persons and report certain information on those accounts to the Commissioner of Taxation each year; and
- (d) there will be no withholding on the US source income of Reporting AFIs, unless there is significant non-compliance by a Reporting AFI with its FATCA Agreement obligations, and after following the procedures set out in the FATCA Agreement, the Reporting AFI is treated by the IRS as a non-participating financial institution.

To implement the FATCA Agreement between Australia and the United States, Australian domestic legislation in the form of Tax Laws Amendment (Implementation of the FATCA Agreement) Act 2014 (Cth), introduced Division 396 to Schedule 1 to the Taxation Administration Act 1953 (Cth). Effective since 1 July 2014, those amendments require Reporting AFIs to collect and retain information about their customers, perform ongoing due diligence and provide that information to the Commissioner of Taxation, who will, in turn, provide that information to the IRS.

It is expected that the Series Trust will be classified as a Financial Institution under FATCA and the terms of the FATCA Agreement will apply to it accordingly.

If the Trustee or any other person is required to withhold amounts under or in connection with FATCA from any payments made in respect of the Notes, Noteholders and beneficial owners of the Notes will not be entitled to receive any gross up or additional amounts to compensate them for such withholding.

If any other jurisdiction introduces legislation which has or may have a similar effect as FATCA such that the Trustee or any other person is required by that legislation to withhold amounts from any payments made in respect of any Notes, the Noteholders and beneficial owners of the Notes will not be entitled to receive any gross up or other additional amounts to compensate them for such withholding.

Future guidance, issued by the ATO or the IRS and updated from time to time, may affect the application of FATCA to the Notes.

5.20 Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes

In Europe, the United States and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Trustee, the Manager or the Managers makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Closing Date for the Notes or at any time in the future.

5.21 Global financial and capital regulatory reforms

Changes in global financial regulation, capital requirements for regulated investors or the regulatory treatment of residential mortgage backed securities may negatively impact affected investors and may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as to the regulatory and capital requirements applicable in respect of the Notes and any investment in them as to the consequences for and effect on them of any changes to global financial regulation, capital requirements or the regulatory treatment of residential mortgage backed securities. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

5.22 Common Reporting Standard

The Common Reporting Standard (**CRS**), formally known as the Standard for Automatic Exchange of Financial Account Information in Tax Matters, is a single global standard for the collection, reporting and exchange of financial account information on foreign tax residents.

Broadly, under the CRS, banks and other financial institutions will need to collect and report to the ATO on the financial account information of non-residents. The ATO will provide this information to the participating foreign tax authorities of those non-residents. The ATO will receive financial account information on Australian residents from other countries' tax authorities. Specifically, the CRS is designed to facilitate the detection of taxpayers that utilise accounts with foreign financial institutions to avoid their domestic tax obligations.

The CRS was implemented by various bilateral treaties as well as the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. Australia became a signatory to the Convention in 2011.

The obligation on relevant Australian entities to comply with the CRS is now contained in new Subdivision 396-C of the Taxation Administration Act 1953 (Cth). The provisions took effect from 1 July 2017 with the first exchange of information occurring in 2018.

To minimise business and tax administrations' implementation and compliance costs, the CRS draws extensively on the intergovernmental approach to implementing FATCA for due diligence procedures and reporting. Despite this, there are a few salient differences between the FATCA and CRS regimes of note. Importantly:

- (a) the CRS does not impose a withholding tax as the cost of not reporting. Rather, the CRS applies administrative penalties for:
 - (i) failure to provide a report to the Commissioner that contains the information required by the CRS;
 - (ii) failure to obtain "self-certification";
 - (iii) failure to keep and maintain records in accordance with the CRS; and
 - (iv) providing a self-certification that is false or misleading;
- (b) the CRS does not make allowance for non-disclosure of account information where the account contains funds below certain thresholds; and
- (c) the CRS does not require registration. There is no CRS equivalent to the GIIN required for FATCA compliance.

The CRS only places an obligation to report the accounts of jurisdictions that participate in the regime. The implementation of the CRS in Australia has taken into account the expectation that other jurisdictions will ultimately adopt the CRS. Section 396-120(3) defines Reportable Jurisdiction as all jurisdictions (other than Australia). Accordingly, if an account holder is a resident for tax purposes of a jurisdiction, other than Australia, then details of the account will need to be forwarded to the ATO.

The Series Trust will be classified as an "Australian Financial Institution" under the CRS and the CRS will apply to it.

To assist financial institutions with implementing the CRS, the ATO has developed guidance material that will be updated from time to time as the ATO receives and responds to further questions from industry.

5.23 Ipsa facto moratorium

On 18 September 2017, the Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017 which reforms Australian insolvency laws received Royal Assent. The reforms include the introduction of a regime in respect of so-called "ipso facto" clauses. Under the legislation, a right under a contract, agreement or arrangement (which would include termination, amendment or payment acceleration) by reason of the appointment of a voluntary administrator, managing controller over all or substantially all of a company's property or where a company is undertaking a scheme of arrangement for the purpose of avoiding being wound up in insolvency would not be enforceable for a period of time.

In the context of securitisations, the stay regime potentially affects (a) the subordination of payments due to a swap provider under a securitisation cashflow waterfall (so-called "flip" clauses); and (b) terminating the appointment of a service provider.

However, the stay regime only relates to a limited range of insolvency events, and in particular does not apply where the company has failed to meet its payment or other obligations under the contract or where a receiver has been appointed. Further, the reforms only apply to rights under a contract, agreement or arrangement entered into after 1 July 2018 or entered into before July

1, 2018 and novated, assigned or varied on or after July 1, 2023, subject to certain exclusions. The Transaction Documents described in section 14 will, with the exception of the Master Trust Deed, all be entered into after that date.

Rights exercised with the consent of the relevant administrator, receiver, scheme administrator or liquidator and the right to appoint controllers during the decision period following the appointment of administrators are excluded and rights prescribed by regulations or Ministerial declarations may also be excluded (the **Subordinate Legislation**). Such Subordinate Legislation may also prescribe additional reasons for application of the stay on enforcement, or for extending the stay indefinitely. The legislation also gives the Federal Court of Australia the power to broaden or narrow the scope and duration of the stay.

The Australian Government has made the Corporations Amendment (Stay on Enforcing Certain Rights) Regulations 2018 and the Corporations (Stay on Enforcing Certain Rights) Regulations (No. 2) 2018. The regulations exempt certain types of contracts from the stay, including an exemption for a contract, agreement or arrangement that is, or governs, securities, financial products, bonds, promissory notes or syndicated loans and a contract, agreement or arrangement that involves a special purpose vehicle and that provides for securitisation. In addition, the Minister for Revenue and Financial Services made the Corporations (Stay on Enforcing Certain Rights) Declaration 2018 setting out certain types of contractual rights which will also be excluded from the stay (regardless of the type of contract under which those rights arise).

The extent to which certain contracts and contractual rights fall within the scope of the categories in the regulations and declaration is unclear. In particular, while the regulations exempt arrangements which are, or which govern, securities, financial products, bonds, promissory notes, or syndicated loans, the regulations do not expressly exempt ancillary arrangements. There is uncertainty as to aspects of this new regime and until the regulations have been the subject of any applicable decided case law or further official clarification, the scope of the stay on the exercise of ipso facto rights and the exclusions and the effect on any securities issued after the commencement date and any relevant contract (including the Notes and the Transaction Documents) remains unclear.

5.24 U.S. Risk Retention Rules

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

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

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

The Notes may not be purchased by, and will not be sold to any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Manager (on behalf of the Trustee). Each holder of a Note or a beneficial interest therein acquired prior to the date occurring 40 days after the completion of the distribution of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Trustee, PCCU, the Manager, the Arranger and the Joint Lead Managers that it (1) either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Manager (on behalf of the Trustee), (2) is acquiring such Note for its own account and not with a view to distribution of such Note, and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the safe harbor for certain non-U.S. Transactions provided for by Section __.20 of the U.S. Risk Retention Rules described above. Neither the Manager nor the Trustee is obliged to provide any waiver in respect of the U.S. Risk Retention Rules.

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

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

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

In addition, after the Closing Date, the U.S. Risk Retention Rules may have adverse effects on PCCU, the Trustee and/or the holders of the Notes. Unless the safe harbor for certain non-U.S. transactions provided for by Section ___20 of the U.S. Risk Retention Rules or another exemption is available, the U.S. Risk Retention Rules would apply to a refinancing of the Notes or in connection with material amendments to the terms of the Notes and any additional notes offered and sold by the Trustee after the Closing Date or any refinancing of the Notes or in connection with material amendments to the terms of the Notes.

In addition, the U.S. Securities and Exchange Commission (the **SEC**) has indicated in contexts separate from the U.S. Risk Retention Rules that an "offer" and "sale" of securities may arise when amendments to securities are so material as to require holders to make a new "investment decision" with respect to such securities. Thus, if the SEC were to take a similar position with respect to the U.S. Risk Retention Rules, they could apply to future material amendments to the terms of the Notes, to the extent such amendments require investors to make a new investment decision with respect to the Notes. As noted above, PCCU does not intend to or undertake to retain at least 5 per cent. of the credit risk of the Purchased Loans for the purposes of compliance with the U.S. Risk Retention Rules, in reliance upon the safe harbor for certain non-U.S. transactions provided for by Section ___20 of the U.S. Risk Retention Rules. However, there can be no assurance that the safe harbor or any other exemption from the U.S. Risk Retention Rules will be available in connection with any such additional issuance, refinancing or amendment occurring after the Closing Date. As a result, the U.S. Risk Retention Rules may adversely affect PCCU or the Trustee (and the performance, market value or liquidity of the Notes) if the Trustee is unable to undertake any such additional issuance, refinancing or amendment. Furthermore, no assurance can be given as to whether the U.S. Risk Retention Rules would have any future material adverse effect on the business, financial condition or prospects of PCCU or the Trustee or on the market value or liquidity of the Notes.

5.25 Cessation of, or material change to, the BBSW benchmark

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

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

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

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

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

(including because of volatility), and as such those changes could have a material adverse effect on the value and liquidity of Notes and/or the interest paid or payable on Notes in the future.

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

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

5.26 Japan Due Diligence and Risk Retention Rules

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

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

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

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

On 15 March 2019, the JFSA published Questions and Answers for Capital Adequacy Ratio Regulation (the **QAs**) which also became applicable from 31 March 2019 on the applicability and scope of the Japan Due Diligence and Risk Retention Rules. The QAs provide that, if the underlying assets of the securitisation transaction are randomly selected from an asset pool, and the originator retains at least 5% of the total credit risk arising from the aggregate exposure to

such asset pool by continuously holding all of the asset pool except for the underlying assets (or assets that were randomly selected from such asset pool simultaneously with the underlying assets), the Appropriate Origination Requirements are satisfied. According to the QAs, for the underlying assets to be randomly selected from an asset pool, (1) the asset pool must in general have 100 or more financial assets and (2) relevant factors that evidence random selection must be appropriately taken into consideration when selecting the assets.

PCCU, as originator for the purposes of the Japan Due Diligence and Risk Retention Rules, intends to satisfy the Appropriate Origination Requirements by retaining at least 5% of assets randomly selected from the asset pool simultaneously with the underlying assets.

At this time, nevertheless, prospective investors should understand that there are a number of unresolved questions and no established line of authority, precedent or market practice that provides definitive guidance with respect to the Japan Due Diligence and Risk Retention Rules, and no assurances can be made as to the content, impact or interpretation of the Japan Due Diligence and Risk Retention Rules. In particular, the basis for the determination of the Appropriate Origination Requirements remains unclear, and therefore unless the JFSA provides further specific clarification, it is possible that this securitisation transaction may contain assets deemed to be inappropriately originated and does not satisfy the Appropriate Origination Requirements. The Japan Due Diligence and Risk Retention Rules or other similar requirements may deter Japanese Affected Investors from purchasing the Notes, which may limit the liquidity of the Notes and adversely affect the price of the Notes in the secondary market. Whether and to what extent the JFSA may provide further clarification or interpretation as to the Japan Due Diligence and Risk Retention Rules is unknown.

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

None of the Trustee, the Arranger, the Joint Lead Managers or any other party to the Transaction Documents (i) makes any representation that the performance of the retention described above, the making of the representations and warranties described above, and the information described in this Information Memorandum, or any other information which may be made available to investors, are or will be sufficient for the purposes of any Japanese Affected Investor's compliance with the Japan Due Diligence and Risk Retention Rules, (ii) has any liability to any prospective investor or any other person for any insufficiency of such information or any non-compliance by any such person with the Japan Due Diligence and Risk Retention Rules or any other applicable legal, regulatory or other requirements, or (iii) has any obligation to provide any further information or take any other steps that may be required by any Japanese Affected Investors to enable compliance by such person with the requirements of the Japan Due Diligence and Risk Retention Rules or any other applicable legal, regulatory or other requirements.

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

5.27 Interest rate risk

As at its Cut-Off Date, a Mortgage Loan will be subject to a discretionary variable rate of interest which may be adjusted by PCCU from time to time or a fixed rate of interest.

The Servicer may only fix the interest rate payable on a Mortgage Loan for periods which are no longer than 5 years or permit the extension of a fixed rate Mortgage Loan if it has received prior written confirmation from the Manager that the Manager has directed the Trustee to enter into a Fixed Rate Swap in respect of that interest or that interest is already hedged under a Hedge Agreement and other conditions are met.

To hedge the risk between the fixed rate received by the Trustee from the Mortgage Loans and the interest rate payable by the Trustee to Noteholders, the Trustee will enter into an Fixed Rate Swap under the Hedge Agreements. If the Fixed Rate Swap under the Hedge Agreement terminates and the Trustee is unable to enter into alternative arrangements the Trustee may not have sufficient funds to pay interest on the Notes.

5.28 Investment in Notes may not be suitable for all investors

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

Mortgage-backed securities such as the Notes usually produce more returns of principal to investors when market interest rates fall below the interest rates on the Mortgage Loans and produce less returns of principal when market interest rates rise above the interest rates on the Mortgage Loans. If borrowers refinance their Mortgage Loans as a result of lower market interest rates or for any other reasons, Noteholders will likely receive an unanticipated payment of principal. This could cause higher rates of principal prepayment than expected which could affect the yield on Notes and may lead to reinvestment risk (see also section 5.4).

6. Mortgage Loans

6.1 People's Choice Credit Union

People's Choice Credit Union (**PCCU**) is one of Australia's largest credit unions with 406,000 members across Australia and branches in South Australia, Northern Territory, Victoria, Western Australia and Australian Capital Territory. PCCU is an Authorised Deposit-taking Institution and is subject to prudential supervision under the Banking Act 1959 and regulated by APRA.

Created through the merger of Australian Central Credit Union Ltd with Savings and Loans Credit Union Limited in 2009, PCCU has origins dating back to 1949, when a group of South Australia public servants formed the Public Servants Association Savings & Loans Society.

PCCU has a combined network of 37 branches and advice centres as well as a national contact centre located in Adelaide.

As at 31 December 2018, PCCU's total assets under management and advice were approximately \$10.6 billion.

PCCU is committed to providing quality service, advice and a comprehensive range of products, with the vision of becoming the most trusted financial services provider in Australia.

6.2 The Mortgage Loan Pool

The Mortgage Loan Pool consists of 3,079 Mortgage Loans (on an unconsolidated basis) with current balances totalling A\$649,988,409 as at 17 June 2019 (the **Mortgage Loan Pool**).

A statistical analysis of the Mortgage Loan Pool is contained in Annexure 1.

6.3 Eligibility Criteria

The Mortgage Loans included in the Mortgage Loan Pool must meet the following eligibility criteria or such other eligibility criteria as the Seller and the Manager may agree in writing prior to the Closing Date (as notified to the Trustee and each Designated Rating Agency) (the **Eligibility Criteria**):

- (a) All Mortgage Loans must:
 - (i) be advanced and repayable in Australian Dollars in Australia;
 - (ii) be secured by a mortgage which is either:
 - A) a first ranking mortgage; or
 - B) a second ranking mortgage where:
 - 1) there are 2 mortgages over the land securing the Mortgage Loan and the Seller is the first mortgagee; and
 - 2) the first-ranking mortgage is also being acquired by the Trustee;
 - (iii) have a stated term to maturity at the Cut-Off Date not exceeding 30 years;
 - (iv) have a loan-to-value ratio (**LVR**) not exceeding 95% determined at or about the time of the Cut-Off Date, Vacant land or land under

development is not included as security for the purposes of calculating Loan-to-Value Ratio;

- (v) have a total principal amount of at least \$10,000 as at the Cut-Off Date ;
 - (vi) in the case of a Mortgage Loan which has the benefit of a Mortgage Insurance Policy, have the benefit of a mortgage insurance policy providing 100% cover for principal and interest losses from an Approved Mortgage Insurer;
 - (vii) be a loan pursuant to which the Seller is entitled to receive payments in respect of principal and interest or interest only under the terms of the loan;
 - (viii) be subject to weekly, fortnightly or monthly payments which fully amortise the Mortgage Loan over its term or in the case of a Mortgage Loan which has an interest only period , fully amortise the Mortgage Loan from the end of the interest only period over the Mortgage Loans remaining term;
 - (ix) in the case of an interest-only loan, have an interest-only period of no longer than 5 years unless extended once for up to another 5 year period;
 - (x) must have at least an Obligor who is the registered proprietor of and holds the entire legal and beneficial interest in the mortgaged property free from any Security Interest (other than as contemplated by the Transaction Documents); and
- (b) All Mortgage Loans must not be:
- (i) partially drawn down;
 - (ii) a loan secured by a mortgage over land which does not contain a residential building;
 - (iii) a loan in favour of a present employee of the Seller; and
 - (iv) a Mortgage Loan with a principal amount outstanding that exceeds \$1,000,000;
 - (v) a loan whose Arrears Days (if it were a Mortgage Loan) would be greater than 30 as calculated at the Cut-Off Date in relation to the Mortgage Loan;
 - (vi) a loan in relation to which interest may be paid by the borrower, without the consent of the Seller, in advance;
 - (vii) a loan that has a fixed rate period greater than five years; or
 - (viii) a loan in relation to which the borrower's income has not been verified.

6.4 Mortgage Loan Products

6.4.1 Loan product options

PCCU offers standard housing loans for owner occupied or investment purposes. Borrowers have the option of a fixed rate, variable rate or a split rate loan (these are opened as separate accounts). Interest on loans is calculated daily, and charged at the end of each month. Borrowers are required to repay principal and interest or interest only amounts at least monthly, with the option to pay weekly and fortnightly. Additional weekly, fortnightly and monthly prepayments are also permitted (subject to an annual cap on fixed rate loans above which a break cost is applied).

PCCU also offers the following additional loan products:

- (a) Vacant land loans*
- (b) Construction loans*
- (c) Bridging loans*
- (d) Secured and unsecured personal loans*
- (e) Credit Cards*
- (f) Overdraft facilities*

(*Note: These loan types do not form part of the Mortgage Loan Portfolio.)

6.4.2 Redraw facility

A borrower may request to redraw against payments made in advance of a minimum of \$1,000 for home loans. A borrower may only redraw repayments made in excess of scheduled repayments.

The funding of Redraws is described in section 9.3.

6.4.3 Interest Offset

PCCU offers an Interest Offset Account for eligible home loans only, where interest earned on the balance of the savings account is offset against the interest due on the loan account. The pool includes loan accounts with an interest offset feature.

The Seller undertakes to the Trustee that the Seller will:

- (a) following notice by the Trustee to the relevant Obligors of the assignment of the Mortgage Loans to the Trustee after the occurrence of a Perfection of Title Event, promptly withdraw all interest offset benefits (if any) that would otherwise be available to Obligors in respect of those Mortgage Loans under the terms of any Interest Offset Accounts (following notice by the Trustee to the relevant Obligors and subject to any notice requirements by which the Seller is bound); and
- (b) pay to the Trustee, by each Determination Date for the Collection Period just ended, an amount equal to the interest offset benefits (if any) that were available to Obligors in respect of the Mortgage Loans under the terms of any Interest Offset Accounts during the immediately preceding Collection Period.

On the Closing Date and each Determination Date, if the Seller is not an Eligible Depository, it undertakes to prepay its obligations described in paragraph (b) above for the Collection Period commencing on the Cut-Off Date or during which that Determination Date falls. Such prepayment will be deposited in the Collections Account and constitute the **Interest Offset Reserve**. Alternatively, the Seller may enter into other arrangements in respect of which the Manager has issued a Rating Notification. The amount required to be prepaid will be calculated by the Seller based on its estimate (determined in a commercially reasonable manner) of the interest offset benefits that will be available to mortgagors in respect of Mortgage Loans for the relevant Collection Period. The Interest Offset Reserve will be available to be applied by the Trustee in the event the Seller does not meet its obligations described in paragraph (b) above. If the Seller becomes an Eligible Depository; there are at any time no interest offset accounts related to the Mortgage Loans which are Assets of the Series Trust or the amount standing to the credit of the Interest Offset Reserve exceeds the required prepayment in respect of a particular Collection Period, the amount standing to the credit of the Interest Offset Reserve (or the excess, as applicable) will be paid to the Seller.

6.4.4 Further advances

Borrowers are able to apply for a further advance on their loan at any time. Each application is assessed according to PCCU's existing credit criteria which includes a new credit check. All new advances are allocated a new loan account number once the additional amount is combined with the existing borrowings. The new loan account number is linked within PCCU's core banking system that identifies and tracks the loan to its existing security. In the case of a Mortgage Loan forming part of the Mortgage Loan Pool, upon funding of the additional advance the Trustee's interest in the Mortgage Loan is extinguished as described in section 10.2.7.

6.5 Origination of Mortgage Loans

6.5.1 Loan Origination

PCCU is responsible for all aspects of origination relating to review and approval of the mortgage loans criteria, compliance of the mortgage loans, arrangement of security property valuation, arrangement of lender's mortgage insurance and the provision of instructions to enable PCCU's lawyers or staff to settle mortgage transactions.

As at 31 December 2018, approximately 90% of PCCU loans had been originated through the branch network and national contact centre. The remaining 10% were originated via mortgage brokers. In January 2015, PCCU acquired the TIO banking operations, from the Northern Territory government, and continued the existing broker origination arrangements that are located in the Northern Territory only.

Regardless of their origination source, all loans are subject to PCCU's standardised origination, underwriting and servicing criteria.

PCCU operates a centralised loan processing model to deliver consistency in loan decisions, a streamlined process from application to settlement and ongoing service and administration.

6.5.2 Loan applications

All loan applications are entered into PCCU's loan origination system at the source of acceptance of the loan application. The credit scorecard contained within the loan origination system performs an initial risk assessment. Lower risk loan applications are approved at originating source. Higher risk loan applications are referred to a centralised Loan Assessment team.

All lending staff receive National Consumer Credit Protection training prior to being authorised to sell loan products and on an ongoing basis as part of PCCU's regular compliance testing and training programme.

6.5.3 Loan assessment

PCCU uses a credit scorecard to undertake a first level credit assessment with all applications scored and either approved, declined or referred. All referred applications are assigned to a centralised Credit Assessment team to ensure a prudent assessment of risk is undertaken leading to a high quality of decision.

In assessing loan applications, PCCU seeks to meet the financial needs of applicants who can meet the following key criteria:

- (a) **Serviceability** – ability to service the requested facilities;
- (b) **Character** – demonstrable good credit character and willingness to repay requested facilities; and,
- (c) **Security** – where the loan is to be provided on a secured basis, adequate security is held to provide some protection in the event of default

Loan application data is entered into the automated loan decision system which includes automatic credit and policy checks.

Lending staff are responsible for verifying key criteria of the lending policies prior to unconditional approval and loan funding.

6.5.4 Approval and settlements

Credit Assessors, the Team Manager(s) Credit Assessment, Manager Credit Assessment, Head of Credit Risk and Chief Risk Officer have the authority to approve loans, depending on the complexity and/or loan value. These approval levels are documented as the Delegated Lending Authorities. Once approved all loan documents are prepared by the centralised Loan Documentation team and once executed documents are returned to Loan Documentation, who arrange and book settlement.

6.5.5 Valuations

For housing loans where the LVR is greater than 80% PCCU requires formal valuations to be performed for all properties that are provided as security for the loan. This requirement may be dispensed with if certain criteria, set by the relevant mortgage insurer are met. PCCU requests valuations from a panel of approved valuers via the ValEx platform. Valuations may only be performed by valuers who have been approved by PCCU and ValEx complete reviews of each panel valuer at least annually to determine competence, national coverage, professional memberships and insurance.

6.5.6 Mortgage Insurance

All mortgage insured loans are reviewed and underwritten individually by the relevant Approved Mortgage Insurer. PCCU holds a delegated underwriting authority issued by QBE LMI.

6.5.7 Document custody

The document custody section of PCCU is responsible for the receipt, filing and secure storage of all security documents relating to the loan. Deeds are stored in individual packets showing borrower number and name. There is a loan file packet for each borrower. All deeds are recorded on a database and are stored in a fireproof room.

PCCU utilises a barcode based file tracking system, with the data stored on network drives which are backed up each day.

Deed and Loan packets undergo regular audits by internal and external auditors.

6.5.8 General Property Insurance

PCCU requires that general property insurance cover be taken out by the borrower prior to the advance of the loan. The borrower is also required to maintain general property insurance cover for the term of the loan.

6.5.9 Loan Management System

PCCU utilises a loan origination system ("Symtrix") tailored to its needs by the software provider. Symtrix progresses a loan from its initial application, through the approval process, to its final destination as a loan account. The ongoing management and maintenance of loans is performed within PCCU's core banking system.

The loan origination system is provided and supported by an external vendor in conjunction with PCCU's Technology staff who provide first level support and configuration to meet specific business requirements. A similar model applies for the development, maintenance and support of PCCU's core banking system. PCCU also has a Lending Services department that manages the ongoing service and maintenance of all loans once advanced.

6.5.10 Disaster Recovery Plan/System Backup

Disaster recovery and workplace recovery arrangements have been implemented as part of PCCU's overall Business Continuity Management Programme.

PCCU's core banking system is supported 24/7 and is replicated via a highly stable network link to a backup site. Critical systems are supported in accordance with Board Risk Policy.

All systems are backed up daily and backups are stored off site. In addition all critical data is replicated to a disaster recovery site. The disaster recovery arrangements have been developed in conjunction with PCCU's Technology and Risk Division's. This is aligned to the Business Continuity Management Programme which includes business impact analysis, business continuity planning, and a review and testing programme.

6.6 Loan payments

All deposits or repayments for loans are electronically recorded in real time to PCCU's core banking system. Each loan account has a minimum repayment specified. PCCU allows borrowers to make payments at any time prior to the due date and once payments have been made, the computer system automatically updates the account to reflect the new loan balance.

Some borrowers choose to make extra payments (or prepayments) on their loan account, which enables them to accelerate the reduction of their loan balance, redraw funds if necessary, or defer their standard payments (until payments in excess of scheduled repayments have been exhausted).

Statements are issued for loan accounts at intervals that are at least in accordance with National Consumer Credit Protection Act requirements and are also available at any time by request. Access to transaction history is also available via internet banking.

PCCU offers its borrowers a number of options for making loan payments:

- (a) Branch Network and National Contact Centre;
- (b) Internet Banking and Mobile Banking;
- (c) Direct credit; and
- (d) Automatic transfer from a designated savings account.

Interest on loans is calculated daily and charged monthly at the end of each month.

6.7 Arrears management

A loan is not considered in arrears if the borrower has not made a payment and the "in advance" amount is greater than the scheduled loan repayment.

At day 3 of the loan being in arrears, a SMS is sent to borrowers advising that their loan account is currently in arrears and reminding them to make payment.

If the loan account is still in arrears at day 7, a letter is generated and sent to the borrower advising them of their current situation and requesting payment within 7 days.

If the loan account is still in arrears at day 12, contact with the borrower is made via telephone and they are requested to make payment prior to fees being charged. This process is repeated at day 19, to request payment and/or contact PCCU to make an arrangement, in order to rectify the account to prevent the account becoming 30 days past due.

If the loan account remains in arrears and is 30 days past due with no response received from the borrower or no satisfactory payment arrangement entered into, a Notice of Default and Enforcement letter is issued.

If a borrower contacts PCCU at any time and advises that they are encountering financial hardship, PCCU will make a suitable arrangement with the borrower based on past history, nature of the financial hardship and taking into account whether the loan is subject to Lenders Mortgage Insurance. Each arrangement will reflect the borrower's particular circumstances, must address the underlying cause of the arrears and must allow the borrower to achieve regularity at a future point.

If no response is received from the member or broken arrangements have occurred, a legal Letter of Demand or Legal Default Notice is issued.

Repossession proceedings continue if the member does not respond to the above action or breaks an arrangement that they have made with PCCU.

Reports are sent each month to the Approved Mortgage Insurer on all insured mortgage accounts 60 days or more in arrears.

6.8 Servicing

6.8.1 Servicing to be in accordance with Servicing Standards

The Servicer must ensure that the servicing of the Mortgage Loans and related securities is in accordance with the Servicing Standards.

The Servicing Standards are the standards and practices in relation to servicing Mortgage Loans set out in the Operations Manual and, to the extent that a servicing function is not covered by the Operations Manual, the standards and practices of a prudent lender in the business of making residential mortgage loans.

The Operations Manual are the written guidelines, policies and procedures established by the Seller and the Servicer for originating, servicing and enforcing its mortgage loan portfolio, as amended from time to time. The Servicer may amend the Operations Manual from time to time. Any proposed material amendments relating to the servicing of the Mortgage Loan Rights must be notified to each Rating Agency, the Trustee and the Manager at least 10 Business Days prior to the date of their intended effect. Such amendments take effect upon the earlier of the Manager issuing a Rating Notification or the date 10 Business Days after the delivery of the amendments to the Manager, the Trustee and each Rating Agency, if during that period the Manager has not established that it is unable to issue a Rating Notification in relation to the adoption of proposed amendments.

All acts or omissions of the Servicer (or any delegate or agent of the Servicer) are binding on the Trustee. However, neither the Trustee nor the Manager or their respective delegates is liable for any Servicer Default except to the extent that the Servicer Default is caused by the Trustee's or the Manager's or their respective delegate's fraud, negligence or wilful default.

6.8.2 Payment of Collections into the Collections Account

Moneys due by borrowers under the terms of the Mortgage Loans will be collected by the Servicer. The Servicer must pay all Collections in respect of the Mortgage Loans into the Collections Account within 2 Business Days of receipt (where they are received by the Servicer) or within 2 Business Days of their due date for payment (where they are payable by the Seller or the Servicer).

The Servicer agrees that it holds all Collections received by it on trust for the Trustee until paid to the Trustee.

6.8.3 Acts of Servicer binding

All acts and omissions of the Servicer (or any delegate or agent of the Servicer) in servicing the Mortgage Loan Rights are binding on the Trustee. However, neither the Trustee nor the Manager or their respective delegates (as the case may be) is liable for any Servicer Default in relation to a Series Trust except to the extent that the Servicer Default is caused by the Trustee's or the Manager's or, in each case, its delegate's fraud, negligence or wilful default.

Investors should note that the processes and policies under which loans are originated, approved, settled and serviced, are regularly reviewed and may change from time to time.

6.8.4 Express powers and limitations on servicing

The Master Sale and Servicing Deed and the Series Supplement regulate certain aspects of the servicing function. Some of the principal servicing provisions of these documents are summarised below.

6.8.5 Interest rates

The Servicer must set the interest rate on each Mortgage Loan at the rate which the Servicer charges on similar mortgage loans within its portfolio which have not been sold to the Trustee. However, the Servicer must adjust the rates of interest applicable to the variable rate Mortgage Loans in certain circumstances as described in section 2.6, if at any time the Basis Swap terminates prior to its scheduled termination date, until a new basis swap is entered into with a counterparty in respect of which the Manager has issued a Rating Notification or other arrangements in respect of which the Manager has issued a Rating Notification have been entered into.

6.8.6 Release or substitution of securities

A borrower may apply to the Servicer to release or substitute any securities relating to a Mortgage Loan. The Servicer has agreed that it will only do this if:

- (a) this is in accordance with the Operations Manual;
- (b) at least 1 mortgage is retained after the release or substitution to secure that Mortgage Loan; and
- (c) prior to the release or substitution, the LVR of that Mortgage Loan is reappraised by the Servicer in accordance with the Servicing Standards and, based on that reappraisal, the LVR of that Mortgage Loan after the release or substitution will be equal to or below the LVR immediately prior to the release or substitution; and
- (d) the Approved Mortgage Insurer in respect of that Mortgage Loan (if any) confirms in writing to the Servicer that the release or substitution will not result in a reduction in the amount that could otherwise be recovered under the Mortgage Insurance Policy under which that Mortgage Loan is insured.

The Servicer will indemnify the Trustee for any cost, damages or loss the Trustee directly suffers as a result of the Servicer releasing or substituting any Mortgage Loan securities in breach of the above conditions.

6.8.7 Extension of maturity of Mortgage Loans and variation or relaxation of other terms

Except in the circumstances set out in section 6.8.14, as contemplated by the Operations Manual or where a Mortgage Loan is regarded as being repaid in full following the making of a Further Advance (see section 10.2.7), the Servicer must not grant any extension of the maturity date of a Mortgage Loan beyond 30 years from the relevant closing date of the Mortgage Loan or allow a reduced monthly payment that would result in such an extension.

Subject to the foregoing considerations and to section 6.8.8 and the requirements of the Operations Manual, the Servicer may vary, extend or relax the time to maturity, the terms of repayment or any other term of a Mortgage Loan and its related securities in accordance with the Servicing Standards.

6.8.8 Release of Debt

Except in the circumstances set out in sections 6.8.7, 6.8.9 and 6.8.12, the Servicer may not release the borrower or any security provider from any amount owing in respect of a Mortgage Loan or its related securities unless the amount has been, or is to be, written-off by the Servicer as uncollectible, in each case, in accordance with the Servicing Standards.

6.8.9 Waivers, releases and compromises

Subject to the limitations in sections 6.8.7, 6.8.8 and 6.8.14, the Servicer is empowered to waive any breach under, or to compromise, compound or settle any claim in respect of, or to release any party from an obligation under, a Mortgage Loan or its related securities.

6.8.10 Consent to subsequent security interests

The Servicer may only consent to the creation or existence of a subsequent security interest in favour of a party (other than the Trustee or the Seller) in relation to the mortgaged property the subject of a mortgage held as security for a Mortgage Loan if the Servicer ensures that the relevant mortgage ranks in priority to the third party's security interest on enforcement for an amount not less than the principal amount (plus accrued but unpaid interest) outstanding on the Mortgage Loan plus such extra amount determined in accordance with the Operations Manual. The Trustee and the Seller have agreed that where a subsequent security interest is granted in their favour over the mortgaged property the subject of a mortgage securing a Mortgage Loan, the relevant mortgage will rank in priority to their security interest on the same basis as is described above for third parties.

6.8.11 Consent to leases

The Servicer may consent to the creation of any leases, licences or restrictive covenants in respect of any mortgaged property in connection with a Mortgage Loan, provided such consent is in accordance with the Servicing Standards.

6.8.12 Litigation and enforcement

The Servicer may take such action to enforce a Mortgage Loan and its related securities as it determines should be taken. The Servicer is not required to institute or continue any litigation in respect of any amount owing under a Mortgage Loan if it has reasonable grounds for believing, based on advice from its legal advisers, that:

- (a) the Servicer is, or will be, unable to enforce the provisions of the Mortgage Loan under which the amount is owing; or
- (b) the likely proceeds of any such litigation, in light of the costs involved, do not warrant the litigation.

The Servicer must not, however, knowingly take any action, or knowingly fail to take any action, if that action or failure will interfere with the enforcement of any Mortgage Loan Rights by the Servicer or the Trustee, unless such action or failure is in accordance with the Servicing Standards.

6.8.13 Insurance policies and claims

The Servicer may settle any claim in respect of any property insurance policy, which is then an Asset of the Series Trust. Any insurance proceeds received in respect of a Mortgage Loan must be applied to the account in the Servicer's records for the Mortgage Loan up to the principal

amount outstanding in respect of that Mortgage Loan, together with any accrued but unpaid interest (unless the proceeds are released in accordance with the Servicing Standards and are paid directly for work being carried out to rebuild, reinstate or repair the property to which the proceeds relate).

6.8.14 Binding provisions and orders of a competent authority

The Servicer may release a mortgage or a Mortgage Loan Right which is an Asset of the Series Trust, reduce the amount outstanding under or vary the terms of any Mortgage Loan (including the terms of repayment) or any related Mortgage Loan Right or grant other relief to a borrower or a security provider if required to do so by the Financial Ombudsman Service, any code binding on the Servicer or any applicable laws or if ordered to do so by a court, tribunal, authority, ombudsman or other entity whose decisions are binding on the Servicer.

If the order is due to the Seller or the Servicer breaching any applicable law or official directive, then the Servicer must notify the Trustee of the making of such an order, decision, finding, judgment or determination and the Seller or the Servicer (as the case may be) must compensate the Trustee in respect of the relevant Series Trust for its loss suffered directly as a result. The amount of the loss is to be determined by agreement with the Trustee (acting on expert advice if the Trustee determines necessary) or, failing this, by the Seller or the Servicer's external auditors.

7. Cashflow Allocation Methodology

7.1 Principles underlying the Cashflow Allocation Methodology

This section 7 describes the methodology for the calculation of the amounts to be paid by the Trustee on each Distribution Date to, amongst others, the Noteholders (being, together with the cashflows applicable following enforcement of the Security as described in section 9.4.4, the **Cashflow Allocation Methodology**).

In summary, the Series Supplement provides for Collections to be allocated and paid on a monthly basis, in accordance with a set order of priorities, to satisfy the Trustee's payment obligations in relation to the Series Trust. The underlying cash flows comprising the Collections are explained in section 7.3. The methodology for allocating Collections between Interest on the Notes and other charges, on one hand, and principal, on the other, are explained in sections 7.4 and 7.5.

The calculation of the various amounts payable on each Distribution Date and the priority in which these amounts are paid are also explained in sections 7.4 and 7.5.

In certain circumstances the principal amount of the Notes can be reduced by way of Charge-Off. Charge-Offs and the reimbursement of Charge-Offs are explained in section 7.7.

The Trustee has the benefit of a number of reserves. The operation of these is explained in section 7.6

7.2 Collection Periods, Determination Dates and Distribution Dates

The distribution of Collections operates on a deferred basis. The Collections in respect of each Collection Period are paid by the Trustee towards Series Trust Expenses and to, amongst other creditors of the Series Trust, the Noteholders on the following Distribution Date. All necessary calculations for this purpose are made by the Manager no later than the Determination Date after the end of each Collection Period.

The following sets out an example of a series of relevant dates and periods for the allocation of cash flows and their payments. All dates are assumed to be Business Days.

1 April to 30 April (inclusive)	Collection Period
21 April to 21 May (inclusive)	Interest Period
19 May	Determination Date
21 May	Distribution Date

7.3 Underlying cash flows

7.3.1 Collections

The **Collections** for a Collection Period are the aggregate of the following amounts (without double counting):

- (a) all interest, fees and other charges in the nature of income payable under the Mortgage Loans and Obligor Break Costs in each case received by the Servicer during the period in respect of the Mortgage Loans (less any reversals made during the period where the original debit entry (or part thereof) was in error or was made but subsequently reversed due to funds not being cleared);

- (b) any Recoveries received by the Servicer in relation to the Mortgage Loans during the Collection Period (less any reversals made during the Collection Period in respect of Recoveries where the original credit entry (or part thereof) was made in error or subsequently reversed due to funds not being cleared);
- (c) any amounts received by the Trustee from the Seller in respect of the Collection Period:
 - (i) with respect to Mortgage Loans repurchased following the making of a Further Advance, provision of an additional feature, a Conversion or any other similar purpose (see section 10.2.7) or as a result of the Trustee's Interest in a Mortgage Loan being extinguished following the discovery of an incorrect Seller representation; or
 - (ii) in respect of amounts owing to it by a borrower which is satisfied by way of set-off or combination;
- (d) any amounts received by the Trustee on the Distribution Date following the Collection Period upon the Seller's acceptance of the Clean-Up Offer (see section 10.2.9);
- (e) any damages or indemnities received by the Trustee in respect of the Collection Period as a result of:
 - (i) the discovery after the Prescribed Period in relation to a Mortgage Loan that a representation or warranty of the Seller mentioned in section 10.2.4 was incorrect when given (see section 10.2.6);
 - (ii) any release or substitution of any mortgage or related securities (other than as described in section 6.8.6); or
 - (iii) the Servicer being required under any code binding on the Servicer, another binding provision, or a court or tribunal, to grant any form of relief to a borrower or mortgagor as a result of the Seller having breached any applicable law, official directive, binding code or other binding provision;
- (f) any damages received by the Trustee in the Collection Period which are not included in the amounts referred to in (e) above;
- (g) any amounts received by the Trustee in the Collection Period as a result of the sale of the Assets of the Series Trust on or following the Termination Date;
- (h) any subscription moneys in respect of the Notes received by the Trustee during the period which are not used on the Closing Date to acquire Mortgage Loan Rights or to pay any Adjustment Advance or which are not used on the Class A-R Issue Date to redeem the Class A Notes (as applicable);
- (i) any insurance proceeds received during the period by the Servicer or the Trustee in accordance with any Mortgage Insurance Policy or any Insurance Policy;
- (j) any Transfer Amount (or part thereof) received by the Trustee in that Collection Period as a result of the sale of Mortgage Loans from the Trustee to another trust established under the Master Trust Deed;
- (k) any Adjustment Advance (or part thereof) received by the Trustee in that Collection Period as a result of the sale of Mortgage Loans from the Trustee to another trust established under the Master Trust Deed;
- (l) any amounts received by the Trustee from the Seller relating to the interest offset benefits (if any) that were available to Obligors in respect of the Mortgage Loans under the terms of any Interest Offset Accounts during the immediately preceding

Collection Period or applied by the Trustee from the Interest Offset Reserve to the extent the Trustee has not received any such amount (see section 6.4.3); and

- (m) any other amounts received by the Trustee during the period which do not fall within paragraphs (a) to (l) above,

less any amount debited during the Collection Period to the accounts established in the Servicer's records for the Mortgage Loans representing fees or charges imposed by any governmental agency, bank accounts debits tax or similar taxes or duties imposed by any governmental agency (including any tax or duty in respect of payments or receipts to or from bank or other accounts) or insurance premiums paid by the Servicer.

Collections for a Collection Period are allocated first to the satisfaction of Finance Charge Collections.

7.3.2 Finance Charge Collections

The **Finance Charge Collections** for a Collection Period are the aggregate of the following amounts (without double counting):

- (a) all interest, fees and other charges in the nature of income payable under the Mortgage Loans and Obligor Break Costs in each case received by the Servicer during the period in respect of the Mortgage Loans (less any reversals made during the period where the original debit entry (or part thereof) was in error) or was made but subsequently reversed due to funds not being cleared);
- (b) any Recoveries received by the Servicer in relation to the Mortgage Loans during the Collection Period (less any reversals made during the Collection Period in respect of Recoveries where the original credit entry (or part thereof) was in error) or was made but subsequently reversed due to funds not being cleared);
- (c) any amounts received by the Trustee from the Seller in respect of amounts owing to it by a borrower which is satisfied by way of set-off or combination and for Mortgage Loans repurchased following the making of a Further Advance, provision of an additional feature, a Conversion or any other similar purpose (see section 10.2.7) or as a result of the discovery of an incorrect Seller representation (see section 10.2.6) where such amounts represent accrued but unraised interest on the Mortgage Loans in respect of the Collection Period;
- (d) the amount of any Clean-Up Settlement Price received by the Trustee in respect of the Collection Period which represents amounts in respect of accrued but unraised interest on the Mortgage Loans;
- (e) any amount received by the Trustee from the Seller, Servicer or Manager in respect of the Collection Period for breach of a representation, warranty or obligation under the Master Trust Deed, Master Sale and Servicing Deed or Series Supplement where those amounts are to be treated as Finance Charge Collections as determined by the Manager;
- (f) any amounts received by the Trustee in the Collection Period as a result of the sale of Assets of the Series Trust on or following the Termination Date which the Manager determines are to be treated as Finance Charge Collections;
- (g) any Collections received by the Trustee or the Servicer during the Collection Period if during that Collection Period the aggregate Stated Amount of the Notes has been reduced to zero;
- (h) any Adjustment Advance (or part thereof) received by the Trustee in that Collection Period as a result of the sale of Mortgage Loans from the Trustee to another trust established under the Master Trust Deed;

- (i) any amounts received by the Trustee from the Seller relating to the interest offset benefits (if any) that were available to Obligor in respect of the Mortgage Loans under the terms of any Interest Offset Accounts during the immediately preceding Collection Period or applied by the Trustee from the Interest Offset Reserve to the extent the Trustee has not received any such amount (see section 6.4.3); and
- (j) any other amounts received by the Trustee during the period and determined by the Manager to be in the nature of income and which do not fall within paragraphs (a) to (i) above,

less any amount debited during the Collection Period to the accounts established in the Servicer's records for the Mortgage Loans during the Collection Period in respect of government fees or charges, bank accounts debits tax or similar government taxes or duties (including any tax or duty in respect of payments or receipts to or from bank or other accounts) or insurance premiums paid by the Servicer.

7.4 Determination and application of Total Investor Revenues

7.4.1 Determination of Investor Revenues

On each Determination Date the Manager will calculate (without double counting) the aggregate of the following (referred to as **Investor Revenues**) for the Collection Period ending immediately prior to that Determination Date:

- (a) the Finance Charge Collections for that Collection Period;
- (b) any net amounts receivable by the Trustee under any Hedge Agreement in respect of the Calculation Period (as defined in the relevant Hedge Agreement) ending on the Distribution Date immediately following the end of the Collection Period;
- (c) any interest income (or amounts in the nature of interest income) credited to the Collections Account during the Collection Period (including, for the avoidance of doubt interest income in respect of the Excess Revenue Reserve);
- (d) all income received in the Collection Period in respect of Authorised Short-Term Investments of the Series Trust;
- (e) any amount of input tax credits (as defined in the GST Act) received by the Trustee in the Collection Period in respect of the Series Trust; and
- (f) any other amount received by the Trustee in that Collection Period and determined by the Manager to be in the nature of income,

but excluding:

- (g) the Liquidity Collateralisation Deposit or any interest or other income received during the Collection Period in respect of the Liquidity Collateralisation Deposit;
- (h) the Excess Revenue Reserve;
- (i) any Liquidity Facility Advance; and
- (j) any collateral or prepayment under any Hedge Agreement.

7.4.2 Liquidity Shortfall First

If the Investor Revenues for a Collection Period are insufficient to meet the Total Expenses (see section 7.4.8) for that Collection Period (such deficit being a **Liquidity Shortfall First**), the Manager must direct the Trustee to withdraw from the Excess Revenue Reserve, on the immediately following Distribution Date, an amount equal to the lesser of:

- (a) the Liquidity Shortfall First; and
- (b) the balance of the Excess Revenue Reserve,
(an **Excess Revenue Reserve Draw Total Expenses**).

If certain conditions are met (the Excess Revenue Reserve Trapping Conditions), to the extent the Excess Revenue Reserve is less than the Excess Revenue Reserve Target Balance, such deficiency may be replenished from Total Investor Revenues to the extent of funds available as described in section 7.4.7(n).

7.4.3 Liquidity Shortfall Second and Principal Draw

If the aggregate of the Investor Revenues for a Collection Period and the Excess Revenue Reserve Draw Total Expenses in relation to the relevant Determination Date are insufficient to meet the Total Expenses for that period (such a deficit being called the **Liquidity Shortfall Second**) the Manager will calculate the lesser of the following (being a **Principal Draw**) on the Determination Date following the end of that Collection Period:

- (a) the Liquidity Shortfall Second; and
- (b) the amount available to be applied on the following Distribution Date from Total Principal Collections as described in section 7.5.2(a).

Principal Draws may be reimbursed from Total Investor Revenues in the manner explained in section 7.4.7(k).

7.4.4 Liquidity Shortfall Third and Liquidity Facility drawing

If the aggregate of the Investor Revenues for a Collection Period, the Excess Revenue Reserve Draw Total Expenses and the Principal Draw for the relevant Determination Date is insufficient to meet the Total Expenses for that Collection Period (such deficit being a **Liquidity Shortfall Third**), the Trustee may be entitled to request or apply an Applied Liquidity Amount under the Liquidity Facility for an amount equal to the lesser of the Liquidity Shortfall Third and the amount which is available for drawing under the Liquidity Facility (see further section 9.2).

7.4.5 Total Investor Revenues

On each Determination Date the Manager will calculate the aggregate of the following in relation to the Collection Period just ended (being the **Total Investor Revenues**):

- (a) the Investor Revenues for that Collection Period;
- (b) the Principal Draw to be applied in respect of a Liquidity Shortfall Second (see section 7.4.3);
- (c) the Applied Liquidity Amount (if any) to be paid or applied under the Liquidity Facility Agreement on the Distribution Date in respect of a Liquidity Shortfall Third (see section 7.4.4); and
- (d) the Excess Revenue Reserve Draw Total Expenses for the Determination Date immediately following the end of that Collection Period and any other amount to

applied from the Excess Revenue Reserve as Total Investor Revenues on the immediately following Distribution Date as otherwise described in section 7.6.2;

The Total Investor Revenues so calculated will be applied by the Trustee, at the direction of the Manager, in the order described in sections 7.4.6 and 7.4.7 on each Distribution Date.

7.4.6 Accrued Interest Adjustment and Adjustment Advance

Each Seller Mortgage Loan will have accrued interest from (and including) the previous due date for the payment of interest on the Mortgage Loans up to (but excluding) the Closing Date. This accrued interest (the **Accrued Interest Adjustment**) is to be paid to the Seller on the first Distribution Date (and each subsequent Distribution Date thereafter until paid in full) from Total Investor Revenues prior to making any payment or allocation described in section 7.4.7.

Each Warehouse Mortgage Loan will also have accrued interest from (and including) the previous due date for the payment of interest under the Mortgage Loan up to (but excluding) the Closing Date. This accrued interest (less any accrued but unpaid costs and expenses in respect of the Warehouse Mortgage Loans during the period up to (but excluding) the Closing Date) may be paid by the Trustee to the relevant Warehouse Trusts on the Closing Date (the **Adjustment Advance**). The payment (if any) of this amount by the Trustee will entitle the Trustee to Collections accrued on the Warehouse Mortgage Loans purchased from the relevant Warehouse Trusts in respect of interest during the period up to the Closing Date, up to an amount equivalent to the Adjustment Advance. It is not expected that an Adjustment Advance will be required in connection with this Series Trust.

7.4.7 Application of Total Investor Revenues

The Trustee will apply the Total Investor Revenues for each Collection Period (after deduction and payment on the first Distribution Date of the Accrued Interest Adjustment to the Seller) on the Distribution Date following the end of the Collection Period in the following order of priority:

- (a) first, at the Manager's discretion, up to one dollar to the Income Unitholder;
- (b) next, in payment of the Series Trust Expenses (other than any Extraordinary Expenses to the extent those have been paid from the Extraordinary Expense Reserve as described in section 7.6.1) and any Series Trust Expenses remaining unpaid from prior Distribution Dates in the order set out in section 7.4.8 below;
- (c) next, *pari passu* and rateably towards:
 - (i) any net amounts payable by the Trustee to a Hedge Provider under a Hedge Agreement on that Distribution Date (other than any termination payment payable to a Hedge Provider in respect of any Hedge Agreement as a result of a Hedge Provider Default Event occurring in relation to that Hedge Agreement) to be applied *pari passu* and rateably amongst them;
 - (ii) payment of Obligor Break Costs payable on the Mortgage Loans during the preceding Collection Period to the Fixed Rate Swap Provider in accordance with the Fixed Rate Swap Agreement but only to the extent these have been received by the Trustee;
 - (iii) the Liquidity Facility fees and interest (if any) due on that Distribution Date and remaining unpaid from prior Distribution Dates (other than capitalised interest and amounts due in respect of increased costs to the Liquidity Facility Provider); and
 - (iv) the Redraw Facility fees and interest (if any) due on that Distribution Date and remaining unpaid from prior Distribution Dates (other than capitalised interest and amounts due in respect of increased costs to the Redraw Facility Provider);

- (d) next, in or towards repayment of any Applied Liquidity Amounts outstanding under the Liquidity Facility Agreement which have not previously been repaid, plus any capitalised interest, which has not been repaid;
- (e) next, pari passu and rateably towards Interest in respect of the Class A Notes due on that Distribution Date plus any Interest in respect of the Class A Notes remaining unpaid from prior Distribution Dates;
- (f) next, pari passu and rateably towards Interest in respect of the Class AB Notes due on that Distribution Date plus any Interest in respect of the Class AB Notes remaining unpaid from prior Distribution Dates;
- (g) next, pari passu and rateably towards Interest in respect of the Class B Notes due on that Distribution Date plus any Interest in respect of the Class B Notes remaining unpaid from prior Distribution Dates;
- (h) next, pari passu and rateably towards Interest in respect of the Class C Notes due on that Distribution Date plus any Interest in respect of the Class C Notes remaining unpaid from prior Distribution Dates;
- (i) next, pari passu and rateably towards Interest in respect of the Class D Notes due on that Distribution Date plus any Interest in respect of the Class D Notes remaining unpaid from prior Distribution Dates;
- (j) next, pari passu and rateably towards Interest in respect of the Class E Notes due on that Distribution Date plus any Interest in respect of the Class E Notes remaining unpaid from prior Distribution Dates;
- (k) next, an amount equal to any unreimbursed Principal Draws (see section 7.4.3) will be allocated towards the Total Principal Collections (see section 7.5.1);
- (l) next, an amount equal to the Defaulted Amount (see section 7.5.3) for the relevant Collection Period will be allocated towards Total Principal Collections (see section 7.5.1);
- (m) next, an amount equal to any Charge-Offs in respect of the Notes remaining unreimbursed from all prior Distribution Dates will be allocated towards Total Principal Collections (see section 7.5.1);
- (n) next, if the Excess Revenue Reserve Trapping Conditions are satisfied on the Determination Date immediately preceding that Distribution Date, as a deposit to the Excess Revenue Reserve until the balance of the Excess Revenue Reserve equals the Excess Revenue Reserve Target Balance;
- (o) next, to the extent the amount standing to the credit of the Extraordinary Expense Reserve on the immediately preceding Determination Date is less than the Required Extraordinary Expense Reserve to be allocated to the Extraordinary Expense Reserve up to the amount of that insufficiency;
- (p) next, pari passu and rateably, any liabilities owing to the Joint Lead Managers under the Dealer Agreement;
- (q) next, in payment pari passu and rateably to the Liquidity Facility Provider and Redraw Facility Provider of increased costs payable in accordance with the Liquidity Facility Agreement and the Redraw Facility Agreement, respectively, on that Distribution Date and any such amounts remaining unpaid from prior Distribution Dates (as applicable); and

- (r) next, the Fixed Rate Swap Provider of any Obligor Break Costs charged in relation to the Mortgage Loans during the Collection Period that have not been received by the Trustee and any such amounts remaining unpaid from prior Distribution Dates;
- (s) next, towards payment to each Hedge Provider, pari passu and rateably amongst them, of any other amount payable to a Hedge Provider under a Hedge Agreement to the extent not already paid under paragraphs (c)(i) and (r) above;
- (t) finally, the balance (if any) is paid to the Income Unitholder on that Distribution Date.

7.4.8 Series Trust Expenses

The Manager will determine on each Determination Date the following expenses incurred during (or which relate to) the Collection Period and which are to be paid on the next Distribution Date:

- (a) first, on a pari passu and rateable basis, all taxes payable in relation to the Series Trust;
- (b) second, on a pari passu and rateable basis:
 - (i) all indemnified amounts and reimbursements payable by the Trustee pursuant to the Transaction Documents including any Extraordinary Expenses (but other than any liabilities specifically described in sections 7.5.2, 7.4.6, 7.4.7(a), 7.4.7(c) to 7.4.7(t) (each inclusive) and other than any liabilities owing to the Joint Lead Managers under the Dealer Agreement);
 - (ii) the Trustee Fee (this is described in section 10.3.6);
 - (iii) the fees, costs and expenses incurred by or payable to the Security Trustee in acting as Security Trustee;
- (c) third, on a pari passu and rateable basis, all Penalty Payments (to the extent the Trustee is liable for such payments);
- (d) fourth, on a pari passu and rateable basis, all other amounts properly incurred by the Trustee in respect of the Series Trust where such costs, charges and expenses are permitted to be reimbursed to the Trustee out of the Assets of the Series Trust under the Master Trust Deed (other than the amounts referred to in sections 7.5.2, 7.4.6, 7.4.7(a), 7.4.7(c) to 7.4.7(t) (each inclusive), any liabilities owing to the Joint Lead Managers under the Dealer Agreement, any liability of the Trustee to repay all or part of the Liquidity Collateralisation Deposit, any collateral or prepayment lodged with, or paid to, the Trustee under the terms of a Hedge Agreement or any other amount referred to in paragraphs (e) to (g) below);
- (e) fifth, the Servicing Fee (this is described in section 10.5.3) and any costs and expenses properly incurred by the Senior in connection with the enforcement of, or recovery of any amounts owing under, any Mortgage Loan;
- (f) sixth, the Management Fee (this is described in section 10.4.5); and
- (g) seventh, the Custodian Fee (if any) (this is described in section 11.4).

The aggregate of (a) to (g) above represent the **Series Trust Expenses**. The Series Trust Expenses are paid from Total Investor Revenues in the priority explained in section 7.4.7.

7.5 Repayment of principal on the Notes

7.5.1 Determination of Total Principal Collections

The Principal Collections for a Collection Period means an amount equal to:

- (a) the Collections for the Collection Period; less
- (b) the Finance Charge Collections for the Collection Period.

On each Determination Date the Manager will, for the immediately preceding Collection Period, calculate the aggregate of the following (being **Total Principal Collections**):

- (a) Principal Collections for that Collection Period; and
- (b) any amount to be allocated from Total Investor Revenues to Total Principal Collections on the next Distribution Date (see section 7.4.7); and
- (c) the Excess Revenue Reserve Draw Defaulted Amount for the Determination Date immediately following the end of that Collection Period.

7.5.2 Application of Total Principal Collections

On each Determination Date, based on information provided by the Servicer, the Manager must determine the payments or allocations to be made by the Trustee on the following Distribution Date from the Total Principal Collections for the Collection Period just ended (less any amount of Collections applied in repayment to the Seller of any Redraws during that Collection Period as described below) and will direct the Trustee to apply, and the Trustee must apply, the Total Principal Collections in making the following payments and allocations on that Distribution Date on account of principal in the following order of priority:

- (a) first, to be allocated to Total Investor Revenues for the Collection Period just ended and applied in accordance with section 7.4.7 up to the amount of the Liquidity Shortfall Second for that Collection Period;
- (b) next, in repayment to the Seller of any Redraws made by the Seller during the Collection Period just ended, and not funded or reimbursed from Collections, plus any Redraws remaining unpaid from prior Distribution Dates, in respect of which the Seller has not been reimbursed by the Trustee;
- (c) next, in or towards repayment to the Redraw Facility Provider of the Redraw Principal Outstanding until the Redraw Principal Outstanding is reduced to zero;
- (d) next:
 - (i) if on the immediately preceding Determination Date the Serial Paydown Conditions are satisfied, the remaining Total Principal Collections for that Distribution Date will be applied *pari passu* and rateably on the basis of the Stated Amount of the Notes:
 - A) to the Class A Noteholders (or Class A-R Noteholders, as the case may be) *pari passu* and rateably between them, in repayment of principal in respect of the Class A Notes (or Class A-R Notes, as the case may be) until the Stated Amount of the Class A Notes (or Class A-R Notes, as the case may be) is reduced to zero;
 - B) to the Class AB Noteholders *pari passu* and rateably between them, in repayment of principal in respect of the Class AB

Notes until the Stated Amount of the Class AB Notes is reduced to zero;

- C) to the Class B Noteholders pari passu and rateably between them, in repayment of principal in respect of the Class B Notes until the Stated Amount of the Class B Notes is reduced to zero;
- D) to the Class C Noteholders pari passu and rateably between them, in repayment of principal in respect of the Class C Notes until the Stated Amount of the Class C Notes is reduced to zero;
- E) to the Class D Noteholders pari passu and rateably between them, in repayment of principal in respect of the Class D Notes until the Stated Amount of the Class D Notes is reduced to zero; and
- F) to the Class E Noteholders pari passu and rateably between them, in repayment of principal in respect of the Class E Notes until the Stated Amount of the Class E Notes is reduced to zero; or

(ii) if on the immediately preceding Determination Date the Serial Paydown Conditions are not satisfied, the remaining Total Principal Collections for that Distribution Date will be applied:

- A) first, to the Class A Noteholders (or Class A-R Noteholders, as the case may be) pari passu and rateably between them, in repayment of principal in respect of the Class A Notes (or Class A-R Notes, as the case may be) until the Stated Amount of the Class A Notes (or Class A-R Notes, as the case may be) is reduced to zero;
- B) second, to the Class AB Noteholders pari passu and rateably between them, in repayment of principal in respect of the Class AB Notes until the Stated Amount of the Class AB Notes is reduced to zero;
- C) third, to the Class B Noteholders pari passu and rateably between them, in repayment of principal in respect of the Class B Notes until the Stated Amount of the Class B Notes is reduced to zero;
- D) fourth, to the Class C Noteholders pari passu and rateably between them, in repayment of principal in respect of the Class C Notes until the Stated Amount of the Class C Notes is reduced to zero;
- E) fifth, to the Class D Noteholders pari passu and rateably between them, in repayment of principal in respect of the Class D Notes until the Stated Amount of the Class D Notes is reduced to zero;
- F) sixth, to the Class E Noteholders pari passu and rateably between them, in repayment of principal in respect of the Class E Notes until the Stated Amount of the Class E Notes is reduced to zero; and

(e) finally, on the Termination Payment Date, to be paid to the Capital Unitholders pari passu and rateably amongst them in respect of the Capital Units.

If the Seller makes a Redraw on any day and notifies the Manager of the amount of that Redraw, the Seller may reimburse itself the amount of that Redraw from Collections held by it prior to deposit in the Collections Account or, if the Seller does not hold any such Collections, the Trustee must on the direction of the Manager reimburse the Seller from Collections held in the Collections Account in each case provided that there are sufficient Collections to reimburse the Seller and the Manager certifies to the trustee that it is reasonably satisfied that the anticipated Total Principal Collections for the relevant Collection Period (after taking into account any anticipated Principal Draw) will exceed the amount of that reimbursement and any other such reimbursement to the Seller in that Collection Period and directs the Trustee as such.

For the purposes of all calculations and applications required to be made pursuant to this section 7.5.2, the "Stated Amount" of any Note is to be determined after any relevant Charge-Offs to be made or reimbursed, as applicable, on the relevant Distribution Date (see section 7.7).

7.5.3 Defaulted Amounts

The **Defaulted Amount** (if any) for a Collection Period is the aggregate principal amounts outstanding in respect of Mortgage Loans which have been written off as uncollectible by the Servicer in accordance with the Servicing Standards. The Defaulted Amount is therefore the shortfall remaining between the sale and other realisation proceeds and the balance outstanding in respect of the relevant Mortgage Loans after payment, where available, of any amount due under the relevant Mortgage Insurance Policies. If there are insufficient Total Investor Revenues to satisfy all of the Defaulted Amount on a Distribution Date, the Charge-Off provisions explained in section 7.7.2 will apply.

7.5.4 No payment in excess of Stated Amounts

Other than under the Master Security Trust Deed and General Security Deed, no amount of principal will be repaid to a Noteholder in excess of the Stated Amounts applicable to the Notes held by that Noteholder.

7.5.5 Serial Paydown Conditions

The Serial Paydown Conditions are satisfied on a Determination Date if:

- (a) the Class A Subordination Percentage on that Determination Date is at least 16%;
- (b) there are no unreimbursed Charge-Offs in respect of the Class E Notes as at that Determination Date (after allocation of amounts as described in section 7.7.2 on the immediately following Distribution Date);
- (c) the Average 60 Day Arrears Percentage in relation to that Determination Date is less than 4%; and
- (d) the aggregate principal outstanding on the Mortgage Loans as at the last day of the preceding Collection Period, when expressed as a percentage of the aggregate principal outstanding on the Mortgage Loans at the Closing Date is greater than 10%; and
- (e) the second anniversary of the Closing Date has occurred or will occur on the immediately following Distribution Date,

and otherwise the Serial Paydown Conditions are not satisfied.

7.6 Reserves

7.6.1 Extraordinary Expense Reserve

Certain circumstances may affect the ability of the Trustee to meet any expenses of the Series Trust not incurred in the ordinary course of carrying on its business as trustee of the Series Trust

(Extraordinary Expenses). The Extraordinary Expense Reserve mitigates the risk of a liquidity deficiency if such Extraordinary Expenses arise.

On the Closing Date, the Seller must deposit an amount equal to the Required Extraordinary Expense Reserve into the Collections Account, which will form part of the reserve to be known as the **Extraordinary Expense Reserve**. To the extent the amount of the Extraordinary Expense Reserve on a Distribution Date is less than the Required Extraordinary Expense Reserve, the Trustee will allocate the Total Investor Revenues to the extent available to reinstate the Extraordinary Expense Reserve up by the amount of the deficiency (see section 7.4.7(o)).

The Extraordinary Expense Reserve will be held in the Collections Account and must not be withdrawn by the Trustee other than:

- (a) to be applied on a Distribution Date to meet any Extraordinary Expenses (if any) incurred the previous Collection Period or any remaining unpaid Extraordinary Expenses from a prior Collection Period;
- (b) as determined by the Manager in connection with the distribution of amounts standing to the credit of the Collections Account on the Determination Date prior to the Termination Payment Date; or
- (c) to be paid into a new or additional Collections Account (if any) if the Manager becomes aware that the financial institution providing the Collections Account is no longer an Eligible Depository.

7.6.2 Excess Revenue Reserve

The Manager will direct the Trustee to apply amounts to be applied as described in section 7.4.7(n) from Total Investor Revenues on each Distribution Date into the Collections Account or any other bank account held with an Eligible Depository as determined by the Manager (the **Excess Revenue Reserve**). If the Excess Revenue Reserve is held in the Collections Account, the Manager must maintain a separate ledger as part of the Collections Account in respect of the Excess Revenue Reserve recording all increases (in accordance with the foregoing) and all decreases (as described below) to the Excess Revenue Reserve and the then balance of the Excess Revenue Reserve.

The Manager will direct the Trustee to apply the Excess Revenue Reserve only in the following circumstances:

- (a) first, to be applied as part of Total Investor Revenues on a Distribution Date for use as an Excess Revenue Reserve Draw Total Expenses to meet a Liquidity Shortfall First as described in section 7.4.2;
- (b) second, to be applied as part of Total Principal Collections on a Distribution Date for use as an Excess Revenue Reserve Draw Defaulted Amount to reimburse Unreimbursed Principal Draws, any Defaulted Amount and the unreimbursed Charge-Offs;
- (c) third, as part of Total Investor Revenues to the extent the balance of the Excess Revenue Reserve exceeds the Excess Revenue Reserve Target Balance on a Distribution Date (after application in accordance with paragraph (a) above on that Distribution Date); and
- (d) fourth, as part of Total Investor Revenues on the Distribution Date occurring on the earlier of:
 - (i) the Maturity Date; and
 - (ii) the date on which the Invested Amount of the Class E Notes has been reduced to zero.

7.7 Charge-Offs

7.7.1 What is meant by a Charge-Off

In the circumstances described in section 7.7.2, a Defaulted Amount (to the extent not able to be recovered from Total Investor Revenues) will be absorbed by reducing sequentially between each class of Notes (but on a pari passu and rateable basis as between Notes of the same class), the Stated Amounts in respect of the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes, the Class AB Notes and the Class A Notes (in that order), until the Stated Amount of each such class of Notes is reduced to zero. These reductions are called **Charge-Offs**.

7.7.2 Defaulted Amount Insufficiency

If Total Investor Revenues for a Collection Period are less than the Defaulted Amounts (if any) for that Collection Period as described in section 7.5.3, then the amount of the insufficiency (the **Defaulted Amount Insufficiency**) will be allocated as follows to produce, in the case of the Notes, the following Charge-Offs:

- (a) the insufficiency will be charged-off against the Stated Amount of the Class E Notes so as to reduce the Stated Amount of the Class E Notes (pari passu and rateably between the Class E Notes based on their Stated Amounts), until the Stated Amount of the Class E Notes is reduced to zero;
- (b) the insufficiency is not fully taken into account by a Charge-Off against the Class E Notes (because the Stated Amount of the Class E Notes have been reduced to zero), the remaining insufficiency will be charged off against the Stated Amount of the Class D Notes so as to reduce the Stated Amount of the Class D Notes (pari passu and rateably between the Class D Notes based on their Stated Amounts), until the Stated Amount of the Class D Notes is reduced to zero;
- (c) if the insufficiency is not fully taken into account by a Charge-Off against the Class E Notes or the Class D Notes (because the Stated Amount of the Class E Notes and the Class D Notes have been reduced to zero), the remaining insufficiency will be charged off against the Stated Amount of the Class C Notes so as to reduce the Stated Amount of the Class C Notes (pari passu and rateably between the Class C Notes based on their Stated Amounts), until the Stated Amount of the Class C Notes is reduced to zero;
- (d) if the insufficiency is not fully taken into account by a Charge-Off against the Class E Notes, the Class D Notes or the Class C Notes (because the Stated Amount of the Class E Notes, the Class D Notes and Class C Notes have been reduced to zero), the remaining insufficiency will be charged off against the Stated Amount of the Class B Notes so as to reduce the Stated Amount of the Class B Notes (pari passu and rateably between the Class B Notes based on their Stated Amounts), until the Stated Amount of the Class B Notes is reduced to zero;
- (e) if the insufficiency is not fully taken into account by a Charge-Off against the Class E Notes, the Class D Notes, the Class C Notes or the Class B Notes (because the Stated Amount of the Class E Notes, the Class D Notes, the Class C Notes and the Class B Notes have been reduced to zero), the remaining insufficiency will be charged off against the Stated Amount of the Class AB Notes so as to reduce the Stated Amount of the Class AB Notes (pari passu and rateably between the Class AB Notes based on their Stated Amounts), until the Stated Amount of the Class AB Notes is reduced to zero; and
- (f) if the insufficiency is not fully taken into account by a Charge-Off against the Class E Notes, the Class D Notes, the Class C Notes or the Class AB Notes (because the Stated Amount of the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes and the Class AB Notes have been reduced to zero), the remaining

insufficiency will be charged off against the Stated Amount of the Class A Notes (or the Class A-R Notes, as the case may be) so as to reduce the Stated Amount of the Class A Notes (or the Class A-R Notes, as the case may be) (pari passu and rateably between the Class A Notes (or the Class A-R Notes, as the case may be) based on their Stated Amounts), until the Stated Amount of the Class A Notes (or the Class A-R Notes, as the case may be) is reduced to zero.

7.7.3 Reimbursements of Charge-Offs

Charge-Offs may be reimbursed from Total Investor Revenues in the manner explained in section 7.4.7.

A reimbursement of a Charge-Off will increase the Stated Amount of the Notes by the amount allocated from Total Investor Revenues.

Any amounts determined by the Manager on a Determination Date to be allocated for reimbursement of a Charge-Off in respect of the Notes will be allocated towards the Total Principal Collections and will be applied as described in section 7.5.2 on the next Distribution Date. The effect of this allocation will be to increase the Stated Amount of the Notes by the amount of the allocation in the following order of priority:

- (a) first, pari passu and rateably to the reduction of the Charge-Offs in respect of the Class A Notes (or the Class A-R Notes, as the case may be) remaining unreimbursed from all prior Distribution Dates, pari passu and rateably between them, until these are reduced to zero;
- (b) next, to the reduction of the Charge-Offs in respect of the Class AB Notes remaining unreimbursed from all prior Distribution Dates, pari passu and rateably between them, until these are reduced to zero;
- (c) next, to the reduction of the Charge-Offs in respect of the Class B Notes remaining unreimbursed from all prior Distribution Dates, pari passu and rateably between them, until these are reduced to zero;
- (d) next, to the reduction of the Charge-Offs in respect of the Class C Notes remaining unreimbursed from all prior Distribution Dates, pari passu and rateably between them, until these are reduced to zero;
- (e) next, to the reduction of the Charge-Offs in respect of the Class D Notes remaining unreimbursed from all prior Distribution Dates, pari passu and rateably between them, until these are reduced to zero; and
- (f) next, to the reduction of the Charge-Offs in respect of the Class E Notes remaining unreimbursed from all prior Distribution Dates, pari passu and rateably between them, until these are reduced to zero.

7.7.4 Calculations and Directions

The calculations referred to in this section 7 will be made by the Manager and provided to the Trustee on each Determination Date (based where necessary on information provided by the Servicer) in respect of the Collection Period just ended. The Manager must also direct the Trustee to make all necessary payments on the following Distribution Date. The Trustee is entitled to conclusively rely on the Manager's calculations and directions and is under no obligation to check their accuracy. The Trustee is not responsible or liable for any inaccuracy in these calculations and directions. Arrangements for notification of pool performance data are explained in section 4.5.

8. The Mortgage Insurance Policies

8.1 General

Each Mortgage Loan that has the benefit of mortgage insurance is insured by a Mortgage Insurance Policy issued to PCCU by QBE Lenders' Mortgage Insurance Ltd ABN 70 000 511 071 (**QBE LMI** and the **Approved Mortgage Insurer**). Each Mortgage Loan that has the benefit of mortgage insurance is insured under an individual Mortgage Insurance Policy issued by an Approved Mortgage Insurer to PCCU (the **Individual Policy**).

This section contains a summary of some of the provisions of the Mortgage Insurance Policies.

The Trustee (the **Insured**) will acquire the benefit of each Individual Policy in respect of the Mortgage Loans which are Assets of the Series Trust.

8.2 Period of cover

The Mortgage Insurance Policies terminate on the earliest of the following:

- (a) transfer of the Mortgage Insurance Policy to a person other than a person who is or becomes an Insured;
- (b) repayment in full of the Mortgage Loans;
- (c) the expiry date of the Mortgage Insurance Policy, however if within 14 days after the expiry date of the Mortgage Insurance Policy notice is given of default under the Mortgage Loan, the Mortgage Insurance Policy will continue solely for the purposes of a claim on that default;
- (d) the date of payment of a claim for loss under the Mortgage Insurance Policy; or
- (e) cancellation of the Mortgage Insurance Policy in accordance with the Insurance Contracts Act 1984.

8.3 Cover for losses

Subject to the exclusions outlined below, the Approved Mortgage Insurers must pay the Insured's loss in respect of a Mortgage Loan. The loss is generally calculated as being the aggregate of the following amounts owed to the Insured:

- (a) the balance of the loan account at the settlement date;
- (b) interest on the balance of the loan account from the settlement date to the date of claim up to a maximum of 30 days; and
- (c) costs incurred on sale of the mortgaged property which generally include:
 - (i) costs properly incurred for insurance premiums, rates, land tax (calculated on a single holding basis) and other statutory charges on the mortgaged property;
 - (ii) reasonable and necessary legal fees and disbursements incurred in enforcing or protecting rights under the Mortgage Loan;
 - (iii) reasonable and necessary costs incurred in maintaining (but not restoring) the mortgaged property;
 - (iv) sales agent's commission, advertising costs, valuation costs and other reasonable costs relating to the sale of the mortgaged property;

- (v) any amounts applied with the prior written consent of the Approved Mortgage Insurer to discharge a security interest having priority over the Mortgaged Loan; and
- (vi) any GST incurred on the sale or transfer of the mortgaged property to a third party in or towards the satisfaction of any debt owed by the mortgagor under the loan account, and any GST properly incurred in respect of any of the costs, fees, disbursements or commissions specifically identified under paragraphs (i) to (v) above,

less the following deductions:

- (d) the gross proceeds of sale of the Mortgage Loan; and
- (e) the following amounts to the extent they have not already been applied to the credit of the loan account:
 - (i) compensation received for any part of the mortgaged property or any collateral security that has been resumed or compulsorily acquired;
 - (ii) all rents collected and other profits received relating to the mortgaged property or any collateral security;
 - (iii) any sums received under any insurance policy relating to the mortgaged property not applied to restoration of the mortgaged property following damage or destruction;
 - (iv) all amounts recovered from exercising rights relating to any collateral security;
 - (v) any other amount received relating to the Mortgage Loan or any collateral security including any amounts received from the mortgagor, any guarantor or prior mortgagee; and
 - (vi) any amount incurred by the Insured in respect of GST relating to the mortgaged property or any collateral security to the extent for which the Insured is entitled to claim an input tax credit.

In general, amounts owed to the Insured for the purposes of paragraphs (a) to (c) of the above calculations do not include the following amounts:

- (a) interest charged in advance;
- (b) default rate interest;
- (c) any higher interest rate payable because of failure to make prompt payment;
- (d) fines, fees or charges debited to the loan account;
- (e) early repayment fees, in the case of the Individual Policy;
- (f) break funding costs, in the case of the Individual Policy;
- (g) cost of restoration following damage to or destruction of the mortgaged property;
- (h) costs of removal, clean up and restoration arising from contamination of the mortgaged property;
- (i) additional funds advanced to the mortgagor without the Approved Mortgage Insurer's written consent;

- (j) amounts paid by the Insured in addition to the Mortgage Loan to complete improvements;
- (k) cost overruns;
- (l) any civil or criminal penalties imposed on the Insured under legislation including the Consumer Credit Legislation;
- (m) in the case of the Individual Policy, the Insured's loss (including all legal costs and disbursements) attributable to any breach or non compliance of the Managed Investments Act 1998 (Cth) (the **MIA Act**) and or an MIA Scheme (as defined in the MIA Act) however arising in relation to the mortgaged property; and
- (n) the fact that the insured loan contract, and mortgage guarantee or any collateral security is void or unenforceable.

8.4 Reduction in claim amount

The amount of a claim under a Mortgage Insurance Policy may be reduced by the amount by which the loss is increased due to:

- (a) the Insured making a false or misleading statement, assurance or representation to the mortgagor or any guarantor;
- (b) in the case of the Individual Policy, any breach or non-compliance of the MIA Act and/or an MIA Scheme however arising in relation to the mortgaged property; or
- (c) the Insured consenting to, without the written approval of the Approved Mortgage Insurer:
 - (i) the creation of any lease, licence, easement, restriction or other notification affecting the mortgaged property; or
 - (ii) an increase in or acceleration of the payment obligation of the mortgagor under any security interest having priority over the Mortgage Loan.

8.5 Consumer Credit Legislation implications

If the Consumer Credit Legislation applies to a Mortgage Loan then the insured is insured for a loss resulting from:

- (a) a credit tribunal or court ordering postponement of enforcement proceedings under section 96 of the National Credit Code; or
- (b) a change to the Mortgage Loan or loan account or both in a manner set out in section 72 of the National Credit Code:
 - (i) which is agreed to by PCCU with the Approved Mortgage Insurer's prior written consent; or
 - (ii) ordered by a court under section 74 of the National Credit Code.

The Approved Mortgage Insurer generally will not pay for a loss resulting from a credit tribunal or court:

- (a) which reopens an unjust Mortgage Loan under section 76 of the National Credit Code; or

- (b) annuls or reduces any unconscionable interest rate change, fee or charge under section 78 of the National Credit Code.

8.6 Submission for payment of claims

The Insured must generally submit a claim for losses providing all documents and information reasonably required by the Approved Mortgage Insurer within 30 days of:

- (a) settlement of the sale of the corresponding mortgaged property;
- (b) notification by the Approved Mortgage Insurer to submit a claim for loss; or
- (c) when the mortgagee under a prior mortgage has completed the sale of the mortgaged property.

8.7 QBE Lenders' Mortgage Insurance Limited

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

QBE Lenders' Mortgage Insurance Limited's parent is QBE Holdings (AAP) Pty Ltd, a subsidiary of the ultimate parent company, QBE Insurance Group Limited (**QBE Group**). QBE Group is an Australian-based public company listed on the Australian Securities Exchange. QBE Group is recognised as Australia's largest international general insurance and reinsurance company with operations in more than 37 countries around the world, and is one of the top 20 global general insurers and reinsurers as measured by net earned premium.

As of 31 December 2017, the audited financial statements of QBE Lenders' Mortgage Insurance Limited had total assets of A\$1,896 million and shareholder's equity of A\$949 million.

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

9. Support Facilities, Master Security Trust Deed and General Security Deed

9.1 The Interest Rate Swaps

9.1.1 Interest Rate Mismatch between Mortgage Loans and Notes

Where the Mortgage Loans which are Assets of the Series Trust charge a fixed rate of interest this will result in an interest rate mismatch between the floating Interest Rate payable on the Notes and the rate of interest earned on those Mortgage Loans.

In order to eliminate the mismatch, on the Closing Date, the Trustee and the Manager will enter into a basis swap (the Basis Swap) and a fixed rate swap (the **Fixed Rate Swap**) with the relevant Hedge Provider.

The Basis Swap will apply in respect of any Mortgage Loan charged a variable rate of interest as at the Closing Date or which converts from a fixed rate to a variable rate after the Closing Date.

The Fixed Rate Swap will apply in respect of any Mortgage Loan charged a fixed rate of interest as at the Closing Date or which converts, subject to the restrictions described in section 9.1.7, from a variable rate to a fixed rate of interest after the Closing Date.

The Basis Swap will be governed by the terms of the Basis Swap Agreement entered into by the Manager, the Trustee and the relevant Hedge Provider. The initial Hedge Provider under the Basis Swap will be PCCU.

The Fixed Rate Swap will be governed by the terms of the Fixed Swap Agreement entered into by the Manager, the Trustee, the Standby Swap Provider and the Fixed Rate Swap Provider. The initial Fixed Rate Swap Provider will be PCCU. The Standby Swap Provider under the Fixed Rate Swap will be NAB who, in certain circumstances (see section 9.1.4), may become the Fixed Rate Swap Provider.

9.1.2 Basis Swap

The Hedge Provider in respect of the Basis Swap will provide the Basis Swap to the Trustee to enable the Trustee to hedge the interest rate mismatch between the interest rates being charged on the Mortgage Loans at a variable rate and the floating Interest Rate payable on the Notes.

Under the Basis Swap, the Trustee will pay to the Hedge Provider in respect of the relevant Calculation Period the Floating Rate Interest Charges for the Calculation Period. The **Floating Rate Interest Charges** for a Calculation Period are all amounts in the nature of interest received by the Trustee, during the preceding Collection Period, from any Obligor in respect of Mortgage Loans that bear a variable rate of interest for all or the relevant part of that Collection Period.

The Hedge Provider will in turn pay to the Trustee in respect of the relevant Calculation Period, an amount calculated by reference to BBSW plus a margin based on the principal amount outstanding on the Mortgage Loans (excluding those being charged a fixed rate) as at the beginning of the relevant Collection Period. The margin over BBSW payable by the Hedge Provider is the weighted average margin of the Notes for the relevant Interest Period (including Step-Up Margin) plus an amount in respect of the other costs of the Series Trust (the latter being fixed at the time the Basis Swap is entered into).

9.1.3 Fixed Rate Swap

The Fixed Rate Swap Provider will provide the Fixed Rate Swap to the Trustee to enable the Trustee to hedge the interest rate mismatch between the interest rates being charged on Mortgage Loans at a fixed rate and the floating Interest Rate payable on the Notes.

Under the Fixed Rate Swap, the Trustee will pay to the Hedge Provider in respect of the relevant Calculation Period, the Fixed Finance Charges for that Calculation Period. The **Fixed Rate Interest Charges** for a Calculation Period are all amounts in the nature of interest received by the Trustee, during the preceding Collection Period, from any Obligor in respect of Mortgage Loans that bear a fixed rate of interest for all or the relevant part of that Collection Period.

The Hedge Provider will in turn pay to the Trustee in respect of the relevant Calculation Period an amount calculated by reference to BBSW (determined in accordance with the Fixed Swap Agreement) plus a margin and based on the principal amount outstanding on the fixed rate Mortgage Loans as at the beginning of the relevant Collection Period are calculated. The margin over BBSW payable by the Hedge Provider is the weighted average margin of the Notes for the relevant Interest Period (including Step-Up Margin) plus an amount in respect of the other costs of the Series Trust (the latter being fixed at the time the Fixed Rate Swap is entered into).

The Trustee also has an obligation under the terms of the Fixed Rate Swap Agreement to pay to the Fixed Rate Swap Provider Obligor Break Costs charged in respect of the preceding Collection Period, provided that a failure to pay such amounts to the extent the Trustee does not have sufficient funds will not give rise to an Event of Default.

9.1.4 Standby Swap Provider for Fixed Rate Swap

In the event of a payment default by PCCU as the Fixed Rate Swap Provider, the Standby Swap Provider will, following notice of such default, pay the defaulted amount to the Trustee on the due date for such payment, in which case such failure will not give rise to an event of default under the Fixed Swap Agreement. PCCU under the Fixed Rate Swap is required to reimburse the Standby Swap Provider for that payment. If PCCU fails to do so or it fails to comply with the collateral arrangements it has entered into with the Standby Swap Provider under the terms of the Fixed Swap Agreement, the rights and obligations of PCCU as Fixed Rate Swap Provider will be automatically, and without notice, novated to the Standby Swap Provider who from that date (the **Novation Date**) will become the Fixed Rate Swap Provider.

The standby swap arrangements will cease to have effect from the earlier of:

- (a) the Novation Date;
- (b) the date all the Notes rated by a Designated Rating Agency have been redeemed in full;
- (c) the date on which the Fixed Rate Swap is terminated in accordance with its terms; and
- (d) the date PCCU is assigned credit ratings by each Designated Rating Agency that meet the minimum requirements set out in the Fixed Swap Agreement.

While the standby swap arrangements are in place or if the Standby Swap Provider becomes the Fixed Rate Swap Provider, and as a result of a withdrawal or downgrade of the credit ratings of the Standby Swap Provider by a Designated Rating Agency, the Standby Swap Provider does not have the minimum ratings specified in the Fixed Swap Agreement, the Standby Swap Provider must, at its cost, take certain action as required pursuant to the Fixed Swap Agreement by the time periods stipulated by the Fixed Swap Agreement. Such action may include one or more of the following (depending on the Standby Swap Provider's rating):

- (a) providing collateral to the Trustee in support of its obligations under the Fixed Rate Swap in accordance with the relevant credit support annexes forming part of the Fixed Swap Agreement;
- (b) novating all its rights and obligations under the Fixed Rate Swap to a replacement counterparty who holds the minimum ratings required under the Fixed Swap Agreement or procuring another such person guarantees its obligations under the Fixed Rate Swap; or

- (c) entering into such other arrangements in relation to the Fixed Rate Swap in respect of which the Manager issues a Rating Notification.

The complete obligations of the Standby Swap Provider following such an event and the relevant triggers are set out in the terms of the Fixed Swap Agreement.

In the event PCCU acquires the minimum ratings required under the Fixed Swap Agreement and the standby swap arrangements terminate, PCCU is bound by similar obligations as those set out above if those ratings are subsequently downgraded or withdrawn under the terms of the Fixed Swap Agreement.

The Standby Swap Provider receives a fee from the Trustee payable on each Distribution Date as an Expense of the Series Trust for its commitment under the standby swap arrangements.

9.1.5 Early Termination

A Hedge Provider or the Trustee may only terminate the Basis Swap or the Fixed Rate Swap, as applicable, if certain events occur including:

- (a) there is a payment default which continues for 10 days after notice by the non-defaulting party (except where PCCU as the Hedge Provider is the defaulting party under the Fixed Rate Swap and the Standby Swap Provider has paid the Trustee the amount in respect of which the default occurred on the due date for such payment or the failure arises from PCCU or the Standby Swap Provider failing to make a payment under a credit support annex forming part of the Fixed Swap Agreement);
- (b) in the case of the Trustee only, there is a failure by the Hedge Provider to comply with any of its obligations under the relevant Hedge Agreement which continues for 30 days after notice by the Trustee of such failure (except where the relevant failure is a payment failure or the relevant failure arises under a credit support annex forming part of the relevant Hedge Agreement);
- (c) the performance by the Trustee of any obligations under the Hedge Agreement becomes illegal due to a change in law;
- (d) in the case of the Trustee only, certain representations and warranties given by the Hedge Provider (or by any credit support provider thereof) under the relevant Hedge Agreement prove to have been incorrect or misleading in any material respect when given;
- (e) in the case of the Fixed Swap Agreement, any of PCCU or the Standby Swap Provider fails to post collateral, make a prepayment or take any other action as is required under the Fixed Swap Agreement following a downgrade of its credit rating by a Designated Rating Agency below the relevant minimum ratings set out in the Fixed Swap Agreement to the extent it is obliged to do so under the terms of the Fixed Swap Agreement and such failure continues unremedied after the relevant cure period;
- (f) an Event of Default has occurred in relation to the Series Trust and the Security Trustee has enforced the General Security Deed in accordance with the Master Security Trust Deed;
- (g) in the case of the Trustee only, the Hedge Provider is insolvent, bankrupt or similar; or
- (h) in the case of the Trustee only, the Hedge Provider consolidates or merges with another entity and the resultant entity fails to assume all of the Hedge Provider's obligations under the relevant Hedge Agreement or any credit support documents cease to operate in respect of such resultant entity.

9.1.6 Termination of swaps

The Basis Swap and Fixed Rate Swap terminate on the earlier of:

- (a) the date on which all the Notes have been redeemed in full in accordance with the Series Supplement;
- (b) the Termination Date for the Series Trust;
- (c) the Maturity Date; or
- (d) in the case of the Basis Swap, the Distribution Date notified by the Hedge Provider in respect of the Basis Swap or the Manager to the other parties in the event Hedge Provider in respect of the Basis Swap and Manager are unable to agree a revised spread in relation to the Basis Swap in certain circumstances.

On the termination of the Basis Swap or the Fixed Rate Swap prior to its scheduled termination date the Manager and the Trustee must endeavour to:

- (a) within 3 Business Days, enter into a replacement swap on terms and with a counterparty in respect of which the Manager has issued a Rating Notification; or
- (b) enter into other arrangements in respect of which the Manager has issued a Rating Notification.

9.1.7 Restrictions on Conversions

The Servicer must not, at any time on or after the Novation Date, consent to a borrower converting the rate on its Mortgage Loan from a variable rate of interest to a fixed rate of interest (a **Conversion**) but prior to the Novation Date may consent to a Conversion where:

- (a) it is required to do so by law or some other code binding on the Servicer or the order of any authority that is binding on the Servicer;
- (b) the following conditions are satisfied:
 - (i) the Conversion will not result in the relevant Mortgage Loan having a fixed rate period greater than 5 years;
 - (ii) following the Conversion, the aggregate amounts outstanding in relation to all Mortgage Loans being charged a fixed rate of interest is less than or equal to the **Fixed Rate Conversion Cap** being 40% (or such other percentage as the Seller and the Standby Swap Provider agree); and
 - (iii) the Trustee and the Manager have in place or entered into a Fixed Rate Swap in respect of the Mortgage Loan the subject of the Conversion (the entry in respect of which the Manager has issued a Rating Notification); or
- (c) the Trustee and the Manager have entered into some other arrangements in respect of which the Manager has issued a Rating Notification.

9.2 The Liquidity Facility

9.2.1 Purpose of the Liquidity Facility

As described in section 5.4, borrowers may prepay an amount of principal under their Mortgage Loans and then cease to make scheduled payments under the terms of their Mortgage Loans. The Servicer does not treat the Mortgage Loan as being in arrears until such time as the borrower has exceeded the Scheduled Balance. However, this can affect the ability of the Trustee to make timely payments of Interest to Noteholders and pay other senior expenses.

Furthermore, as described in section 5.5, if borrowers fail to make monthly payments in respect of Mortgage Loans (other than where a borrower has prepaid principal under its Mortgage Loan) this may also affect the ability of the Trustee to make timely payments of Interest to Noteholders.

The Liquidity Facility provided by the Liquidity Facility Provider to the Trustee mitigates the risk of a liquidity deficiency for the Notes should either of these situations occur in circumstances where the Excess Revenue Reserve and Principal Draws are not sufficient to address the risk.

9.2.2 Liquidity Facility Provider

The initial Liquidity Facility Provider will be NAB.

9.2.3 The Liquidity Facility Limit

The maximum liability of the Liquidity Facility Provider under the Liquidity Facility is an amount equal to the **Liquidity Facility Limit**, which at any time means the lesser of:

- (a) an amount equal to the greater of:
 - (i) 1.00% of the aggregate Invested Amount of the Notes at the relevant time; and
 - (ii) 0.10% of the aggregate Invested Amount of the Notes on the Closing date,or such other amount as is agreed in writing from time to time between the Manager and the Liquidity Facility Provider (and notified in writing to the Designated Rating Agencies by the Manager and in respect of which the Manager has issued a Rating Notification);
- (b) the aggregate principal outstanding under all performing Mortgage Loans (being Mortgage Loans with less than 90 Arrears Days or otherwise the subject of a Mortgage Insurance Policy as at the Closing Date); and
- (c) the amount (if any) to which the Liquidity Facility Limit is reduced at that time by the Manager or the Trustee in accordance with the Liquidity Facility Agreement (and notified in writing to the Liquidity Facility Provider and the Designated Rating Agencies by the Manager and in respect of which the Manager has issued a Rating Notification).

9.2.4 Utilisation of the Liquidity Facility

Following the occurrence of a Liquidity Shortfall Third (see section 7.4.4), an amount equal to the lesser of:

- (a) the un-utilised portion of the Liquidity Facility Limit or, in the case of an advance under the Liquidity Facility made from the Liquidity Collateralisation Deposit, the amount standing to the credit of the Liquidity Collateralisation Deposit; and
- (b) the Liquidity Shortfall Third,

may be available to be advanced or (in the circumstances described in section 9.2.9) applied under the Liquidity Facility on each Distribution Date in or towards extinguishment of that Liquidity Shortfall Third. The amount so claimed or applied is referred to as an **Applied Liquidity Amount**.

The necessary documentation for drawdowns or applications to be made under the Liquidity Facility must be prepared by the Trustee at the direction of the Manager.

9.2.5 Interest and fees

The duration that an Applied Liquidity Amount is outstanding is divided into interest periods. Interest accrues daily on each Applied Liquidity Amount advanced or applied under the Liquidity Facility to meet a Liquidity Shortfall Third at the BBSW for that interest period plus a margin, calculated on days elapsed and a year of 365 days. Interest is payable on each Distribution Date in accordance with the Cashflow Allocation Methodology (see section 7.4.7). Any amount of unpaid interest will be capitalised and interest will accrue in accordance with the foregoing on any unpaid interest.

A commitment fee accrues daily from the date of the Liquidity Facility Agreement and is calculated on the un-utilised portion of the Liquidity Facility Limit based on the number of days elapsed and a 365 day year. The commitment fee is payable monthly in arrears on each Distribution Date and the termination of the Liquidity Facility in accordance with the Cashflow Allocation Methodology (see section 7.4.7).

9.2.6 Repayment of outstanding advances

Each Applied Liquidity Amount outstanding on any Distribution Date is repayable on the following Distribution Date, but only to the extent that there are funds available for this purpose in accordance with the Cashflow Allocation Methodology (see section 7.4.7). If outstanding Applied Liquidity Amounts are not repaid in full on a Distribution Date, any unpaid amounts will be carried forward so that they are payable by the Trustee on each following Distribution Date to the extent that funds are available for this purpose under the Cashflow Allocation Methodology (see section 7.4.7), until such amounts are paid in full.

9.2.7 Events of default

Each of the following is an event of default under the Liquidity Facility (whether or not caused by any reason whatsoever outside the control of the Trustee or any other person):

- (a) the Trustee fails to pay:
 - (i) subject to paragraph (ii) below, any amount due under the Liquidity Facility relating to increased costs incurred by the Liquidity Facility Provider where funds are available for that purpose in accordance with the Cashflow Allocation Methodology; and
 - (ii) any amount due in accordance with the Liquidity Facility Agreement in respect of any advance (including Liquidity Collateralisation Deposit) or Applied Liquidity Amount, interest or fees,

within 10 days of the due date;
- (b) the Trustee breaches its undertaking described in section 9.2.10 or breaches any other undertaking that has a material adverse effect;
- (c) an Event of Default occurs under the General Security Deed (see section 9.4.2) and action is taken to enforce the Security under the Master Security Trust Deed; or
- (d) an Insolvency Event occurs in relation to the Trustee in its personal capacity, and a successor trustee of the Series Trust is not appointed within 60 days of that Insolvency Event.

At any time after the occurrence of an event of default under the Liquidity Facility, the Liquidity Facility Provider may, by written notice to the Trustee, declare all advances, accrued interest and all other sums which have accrued due under the Liquidity Facility Agreement immediately due and payable and declare the Liquidity Facility terminated (in which case the obligations of the Liquidity Facility Provider under the Liquidity Facility Agreement will immediately terminate).

9.2.8 Termination

The Liquidity Facility will terminate, and the Liquidity Facility Provider's obligation to make any advances will cease, on the earliest of the following to occur:

- (a) the date which is one day after the Maturity Date;
- (b) the date which is one day after the date the Notes have been redeemed in full;
- (c) the termination date appointed by the Liquidity Facility Provider if it becomes illegal or impossible for the Liquidity Facility Provider to maintain or give effect to its obligations under the Liquidity Facility Agreement as a result of a change of law or its interpretation;
- (d) the date upon which the Liquidity Facility Limit is reduced to zero (see section 9.2.3);
- (e) the date on which the Liquidity Facility Provider declares the Liquidity Facility terminated following an event of default under the Liquidity Facility (see section 9.2.7); and
- (f) the date the Liquidity Facility Provider novates all its rights and obligations to a replacement in accordance with the Liquidity Facility Agreement.

9.2.9 Liquidity Collateralisation Deposit

If the credit ratings of the Liquidity Facility Provider are lower than the applicable Designated Credit Ratings specified in the Liquidity Facility Agreement, the Liquidity Facility Provider will deposit into an account held by the Trustee, with an Eligible Depository, an amount equal to the then un-utilised portion of the Liquidity Facility Limit within the time period specified in the Liquidity Facility Agreement (the **Liquidity Collateralisation Deposit**). Thereafter, if the Manager determines that a Liquidity Shortfall Third has occurred, the amount of such shortfall must be satisfied from the amount deposited in that account. On the termination of the Liquidity Facility or if the Liquidity Facility Provider obtains the Designated Credit Ratings, the un-utilised portion of the Liquidity Collateralisation Deposit must be repaid to the Liquidity Facility Provider and (except in the case of the termination of the Liquidity Facility) any Liquidity Shortfall Third occurring thereafter will be satisfied by the Liquidity Facility Provider meeting a direct claim under the Liquidity Facility.

9.2.10 Trustee Undertaking

The Trustee has undertaken to the Liquidity Facility Provider not to consent to amend or revoke the provisions of any Transaction Document in a manner which would change the basis on which any advance under the Liquidity Facility or Applied Liquidity Amount is calculated, the entitlement of the Trustee to request any such advance or the basis of calculation or order of application of any amount to be paid or applied under the Master Trust Deed, the Series Supplement, the Master Security Trust Deed or the General Security Deed without the prior written consent of the Liquidity Facility Provider.

9.3 The Redraw Facility

9.3.1 Purpose of the Redraw Facility

As described in section 10.2.7 the Seller may provide Redraws to a borrower who has prepaid the principal amount outstanding under its Mortgage Loan ahead of its Scheduled Balance. The Redraw Facility is made available to the Trustee by the Redraw Facility Provider to help fund the reimbursement of Redraws made by the Seller where the Seller has not been reimbursed in respect of those Redraws from Collections (as described in section 7.5.2).

The term of the Redraw Facility is 364 days and may be renewed at the option of the Redraw Facility Provider if it receives a request for extension from the Manager 60 days prior to the scheduled termination of the Redraw Facility.

9.3.2 Redraw Facility Provider

The initial Redraw Facility Provider will be PCCU (see section 6.1) for a description of PCCU).

9.3.3 The Redraw Facility Limit

The maximum amount that can be advanced under the Redraw Facility is the amount of the **Redraw Facility Limit**, being at any time the lesser of:

- (a) the greater of:
 - (i) 0.80% of the aggregate Invested Amount of the Notes at any relevant time or such other percentage as is agreed in writing from time to time between the Manager and the Redraw Facility Provider (and in respect of which the Manager has issued a Rating Notification); and
 - (i) 10% of the Redraw Facility Limit on the Closing Date (after the issue of the Notes on that date); or
- (b) the amount (if any) to which the Redraw Facility Limit has been reduced at that time by the Manager or the Trustee in accordance with the Redraw Facility Agreement (such a reduction is subject to the Manager issuing a Rating Notification).

9.3.4 Utilisation of the Redraw Facility

If the Redraw Facility Provider provides a Redraw to an Obligor from its own funds in circumstances where the amount provided is not set-off against or reimbursed from Collections as described in section 7.5.2, such amount will, subject to section 9.3.3, be treated as an advance by the Redraw Facility Provider pursuant to the Redraw Facility.

9.3.5 Interest and fees

The duration of the Redraw Facility is divided into successive interest periods. Interest accrues daily on the principal outstanding under the Redraw Facility at a rate equal to the sum of the Cash Rate and a margin per annum, calculated on days elapsed and a year of 365 days. Interest is payable on each Distribution Date in accordance with the Cashflow Allocation Methodology (see section 7.4.7). Any amount of unpaid interest will be capitalised and interest will accrue in accordance with the foregoing on any unpaid interest.

A commitment fee accrues daily from the Closing Date on the un-utilised portion of the Redraw Facility Limit, based on the number of days elapsed and a 365 day year. The commitment fee is payable monthly in arrears on each Distribution Date in accordance with the Cashflow Allocation Methodology (see section 7.4.7).

9.3.6 Repayment

The principal outstanding under the Redraw Facility on any Distribution Date is repayable on the following Distribution Date to the extent there are funds available for this purpose in accordance with the Cashflow Allocation Methodology. It is not an event of default in respect of the Redraw Facility if the Trustee does not have funds available to repay the full amount of the principal outstanding under the Redraw Facility on a Distribution Date.

On the Distribution Date immediately following the termination of the Redraw Facility as described in section 9.3.8 below, the Trustee must repay the principal outstanding under the Redraw Facility in full, together with all other amounts payable to the Redraw Facility Provider to the extent of funds available in accordance with the Cashflow Allocation Methodology. If on such

Distribution Date, such amounts are not paid in full, the unpaid amounts will be carried forward so that they are payable by the Trustee on each following Distribution Date until such amounts are paid in full in accordance with the Cashflow Allocation Methodology.

9.3.7 Events of Default

Each of the following is an event of default under the Redraw Facility:

- (a) the Trustee fails to pay:
 - (i) subject to sub-paragraph (ii) below, any advance under the Redraw Facility or any other amount due under the Redraw Facility in respect of increased costs incurred by the Redraw Facility Provider where the funds are available for that purpose in accordance with the Cashflow Allocation Methodology; and
 - (ii) any amount due in accordance with the Redraw Facility in respect of any interest, and fees payable under the Redraw Facility Agreement (other than any amounts referred to in sub-paragraph (i) above),

within 10 days of the due date;
- (b) the Trustee breaches its undertaking described in section 9.3.9; or
- (c) an Event of Default occurs under the General Security Deed (see section 9.4.2) and action is taken to enforce the Security under Master Security Trust Deed.

At any time after the occurrence of an event of default under the Redraw Facility, the Redraw Facility Provider may by written notice to the Trustee declare all advances, accrued interest and/or all other sums which have accrued due under the Redraw Facility Agreement immediately due and payable and declare the Redraw Facility terminated (in which case, the obligations of the Redraw Facility Provider under the Redraw Facility Agreement will immediately terminate).

9.3.8 Termination

The Redraw Facility will terminate, and the Redraw Facility Provider's obligation to make any advances will cease, upon the earliest to occur of the following:

- (a) the date notified by the Redraw Facility Provider to the Trustee and the Manager in writing which is at least one month after the date on which all Notes have been redeemed in full in accordance with the Series Supplement;
- (b) the expiry of 364 days from the date of the Redraw Facility Agreement unless the Redraw Facility Provider has agreed to extend the term of the Redraw Facility in accordance with the terms of the Redraw Facility Agreement;
- (c) the termination date appointed by the Redraw Facility Provider if it becomes illegal or impossible for the Redraw Facility Provider to maintain or give effect to its obligations under the Redraw Facility Agreement as a result of a change of law or its interpretation;
- (d) the date upon which the Redraw Facility Limit is reduced to zero (see section 9.3.3); and
- (e) the date on which the Redraw Facility Provider declares the Redraw Facility terminated following an event of default under the Redraw Facility or otherwise as notified by the Redraw Facility Provider (in its discretion) to the Trustee and the Manager.

9.3.9 Trustee Undertaking

The Trustee has undertaken to the Redraw Facility Provider not to consent to amend or revoke any provisions of the Master Trust Deed, the Master Sale and Servicing Deed, the Series Supplement, the Master Security Trust Deed or the General Security Deed in respect of payments or the order of priorities of payments to be made thereunder without the prior written consent of the Redraw Facility Provider.

9.4 The Master Security Trust Deed and the General Security Deed

9.4.1 Security

Under the Master Security Trust Deed and the General Security Deed, the Trustee (as **Trustee**) grants a security interest (the **Security**) over the Collateral in favour of the Security Trustee to secure the Trustee's obligations (the **Secured Moneys**) to the Noteholders, each Hedge Provider, the Standby Swap Provider, the Liquidity Facility Provider, the Redraw Facility Provider, the Servicer, the Seller, the Manager, the Trustee (in its personal capacity) and the Security Trustee (both in its personal capacity and as trustee of the Security Trust) (the **Secured Creditors**). The Security Trustee holds the benefit of the Security and certain covenants of the Trustee on trust for those persons who are Secured Creditors at the time the Security Trustee distributes any of the proceeds of the enforcement of the Security (see section 9.4.4).

Although the Security is granted for the benefit of all Secured Creditors, if an Event of Default occurs while Notes remain outstanding, it is the Voting Secured Creditors who are the only Secured Creditors with the power to direct the Security Trustee as to enforcement of the Security. Whilst any Notes remain outstanding, the **Voting Secured Creditors** are the Noteholders of the most senior ranking Class of Notes (determined in accordance with the order of priority of payment of Interest on the Notes as described in section 7.4.7) and each Secured Creditor ranking equally or senior to those Noteholders as described in section 7.4.7. Once the Notes have been repaid in full all Secured Creditors are **Voting Secured Creditors**.

9.4.2 Events of Default

It is an event of default under for the purposes of the Master Security Trust Deed under the General Security Deed (an **Event of Default**), if:

- (a) the Trustee retires or is removed as trustee of the Series Trust and is not replaced within 60 days and the Manager fails within a further 20 days to convene a meeting of Investors to appoint a new Trustee;
- (b) the Security Trustee has actual notice or is notified by the Trustee or the Manager that the Trustee is not entitled fully to exercise its right of indemnity against the Assets of the Series Trust to satisfy any liability to a Secured Creditor and the circumstances are not rectified to the reasonable satisfaction of the Security Trustee within 14 days of the Security Trustee requiring the Trustee in writing to rectify them; or
- (c) the Series Trust is not properly constituted or is imperfectly constituted in a manner or to an extent that is regarded by the Security Trustee (acting reasonably) to be materially prejudicial to the interests of any class of Secured Creditor and is incapable of being remedied or if it is capable of being remedied this has not occurred to the reasonable satisfaction of the Security Trustee within 30 days of its discovery;
- (d) an Insolvency Event occurs in relation to the Trustee in respect of the Series Trust;
- (e) the General Security Deed is not, or ceases to be, valid and enforceable or any Security Interest (other than a Permitted Security Interest) 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 Security Interest, where such event will have an Adverse Payment Effect;

- (f) distress or execution is levied or a judgment, order or a Security Interest is enforced, or becomes enforceable against any of the Collateral relating to the Series Trust for an amount exceeding \$1,000,000 (but does not include any action taken by the Servicer in respect of a Security Interest or any of the Collateral in accordance with the Transaction Documents) where, in each case, such event will have an Adverse Payment Effect;
- (g) the Security is or becomes wholly or partly void, voidable or unenforceable or loses the priority which it has at or after the date of the General Security Deed (other than by act or omission of the Security Trustee) where such an event will have an Adverse Payment Effect;
- (h) any Transaction Document becomes wholly or partly void, voidable or unenforceable, where such event will have an Adverse Payment Effect; or
- (i) any Senior Obligations are not paid within 10 days of when due.

9.4.3 Enforcement

If the Security Trustee becomes actually aware that an Event of Default has occurred it must notify the Secured Creditors and each Designated Rating Agency and convene a meeting of the Voting Secured Creditors to seek the directions contemplated by this section 9.4.3.

At that meeting, the Voting Secured Creditors must vote by extraordinary resolution (being not less than 75% of all votes cast at a meeting or a written resolution signed by all Voting Secured Creditors) on whether to direct the Security Trustee to:

- (a) declare the Secured Moneys immediately due and payable;
- (b) appoint a receiver and, if a receiver is to be appointed, to determine the amount of the receiver's remuneration;
- (c) instruct the Security Trustee to sell and realise the Collateral and otherwise enforce the Security; and/or
- (d) take such further action as the Voting Secured Creditors may specify in the extraordinary resolution and which the Security Trustee indicates that it is willing to take.

The Security Trustee is required to take all action to give effect to any extraordinary resolution of the Voting Secured Creditors only if the Security Trustee is adequately indemnified from the Collateral or has been indemnified by the Voting Secured Creditors in a form reasonably satisfactory to the Security Trustee (which may be by way of an extraordinary resolution of the Voting Secured Creditors) against all actions, proceedings, claims and demands to which it may render itself liable, and all costs, charges, damages and expenses which it may incur, in giving effect to the extraordinary resolution.

If the Security Trustee convenes a meeting of the Voting Secured Creditors or is required by an extraordinary resolution of the Voting Secured Creditors to take any action in relation to the enforcement of the Security and the Security Trustee advises the Voting Secured Creditors that it will not take that action in relation to the enforcement of the Security unless it is personally indemnified by the Voting Secured Creditors to its reasonable satisfaction against all actions, proceedings, claims, demands, costs, charges, damages and expenses in relation to the enforcement of the Security and put in funds to the extent to which it may become liable and the Voting Secured Creditors refuse to grant the requested indemnity and put it into funds, the Security Trustee will not be obliged to act in relation to such action. In these circumstances, the Voting Secured Creditors may exercise such powers, and enjoy such protections and indemnities, of the Security Trustee under the Master Security Trust Deed and the General Security Deed in relation to the enforcement of the Security as they determine by extraordinary resolution. The Security Trustee will not be liable in any manner whatsoever if the Voting Secured Creditors exercise, or do not exercise, the rights given to them as described in the

sentence preceding. Except in the foregoing situation, the powers, rights and remedies (including the power to enforce the Security or to appoint a receiver to any of the Collateral) are exercisable by the Security Trustee only and no Secured Creditor is entitled to exercise them.

The Security Trustee must not take any steps to enforce the Security unless the Voting Secured Creditors have passed an extraordinary resolution directing it to take such action or in the opinion of the Security Trustee the delay required to obtain the consent of the Voting Secured Creditors would be prejudicial to the interests of the Voting Secured Creditors.

The Security Trustee is entitled, on such terms and conditions it deems expedient, without the consent of the Voting Secured Creditors, to agree to any waiver or authorisation of any breach or proposed breach of the Transaction Documents (including the Master Security Trust Deed and the General Security Deed) and may determine that any event that would otherwise be an Event of Default will not be treated as an Event of default for the purposes of the Master Security Trust Deed, which is not, in the opinion of the Security Trustee, materially prejudicial to the interests of the Secured Creditors.

The Security Trustee is not required to ascertain whether an Event of Default has occurred and, until it has actual notice to the contrary, may assume that no Event of Default has occurred and that the parties to the Transaction Documents (other than the Security Trustee) are performing all of their obligations.

Subject to any notices or other communications it is deemed to receive under the terms of the Master Security Trust Deed, the Security Trustee will only be considered to have knowledge, awareness or notice of a thing or grounds to believe anything by virtue of the officers of the Security Trustee (or any Related Body Corporate of the Security Trustee) which have day to day responsibility for the administration or management of the Security Trustee's (or any Related Body Corporate of the Security Trustee's) obligations in relation to the Series Trust, the Master Security Trust Deed, having actual knowledge, actual awareness or actual notice of that thing, or grounds or reason to believe that thing. Notice, knowledge or awareness of an Event of Default means notice, knowledge or awareness of the occurrence of the events or circumstances constituting an Event of Default.

9.4.4 Priorities under the Master Security Trust Deed and the General Security Deed

Subject to section 9.4.5, the proceeds from the enforcement of the Security are to be applied in the following order of priority, subject to any other priority which may be required by statute or law and without duplication:

- (a) first, *pari passu* and rateably towards satisfaction of amounts which become owing or payable under the Master Security Trust Deed to indemnify the Security Trustee against all loss, liability and reasonable expenses incurred in performing any of its duties or exercising any of its powers under the Master Security Trust Deed (except the receiver's remuneration) and to the Trustee in respect of any lien over or right of indemnification from the Assets of the Series Trust;
- (b) next, towards satisfaction of amounts which become owing or payable under the Master Security Trust Deed to indemnify any receiver appointed under the Master Security Trust Deed against all loss, liability and reasonable expenses incurred in performing its duties or exercising its powers under the Master Security Trust Deed (except the receiver's remuneration);
- (c) next, in payment towards satisfaction of any fees due to the Security Trustee;
- (d) next, in payment towards satisfaction of any fees due the receiver;
- (e) next, *pari passu* and rateably in payment of such other outgoings and/or liabilities that the receiver or the Security Trustee have incurred in performing their obligations or exercising their powers under the Master Security Trust Deed;

- (f) next, in payment of other security interests over the Collateral which the Security Trustee is aware have priority over the Security (other than the Trustee's lien over and right of indemnification from, the Assets of the Series Trust), in the order of their priority;
- (g) next, in payment to the Seller of any unpaid Accrued Interest Adjustment;
- (h) next, in payment *pari passu* and rateably:
 - (i) to the Redraw Facility Provider of any amounts owing to it under the Redraw Facility Agreement (other than the amounts referred to in paragraph (n) below);
 - (ii) to the Liquidity Facility Provider of any amounts owing to it under the Liquidity Facility Agreement (other than the amounts referred to in paragraph (n) below);
 - (iii) to the Hedge Provider under a Hedge Agreement, *pari passu* and rateably between them, of any Secured Moneys owing to the Hedge Providers under the relevant Hedge Agreement (other than any termination payment payable to a Hedge Provider in respect of any Hedge Agreement as a result of a Hedge Provider Default Event occurring in relation to that Hedge Agreement and other than the amounts referred to in paragraph (n) below);
 - (iv) to the Seller the amount of all Redraws made by the Seller from its own funds which have not been set-off against or reimbursed from Collections or otherwise by the Trustee or treated as an advance under the Redraw Facility and amounts owing to the Seller in respect of the fees payable to the Seller for the provision of custodial services to the Trustee;
 - (v) to the Servicer of any Secured Moneys owing to the Servicer; and
 - (vi) to the Manager of any Secured Moneys owing to the Manager;
- (i) next, in payment to the Class A Noteholders of all Secured Moneys owing to them to be applied firstly in respect of accrued but unpaid interest on the Class A Notes and secondly in reduction of the Invested Amount of the Class A Notes until this is reduced to zero (in each case to be distributed *pari passu* and rateably between the Class A Noteholders);
- (j) next, in payment to the Class AB Noteholders of all Secured Moneys owing to them to be applied firstly in respect of accrued but unpaid interest on the Class AB Notes and secondly in reduction of the Invested Amount of the Class AB Notes until this is reduced to zero (to be distributed *pari passu* and rateably between the Class AB Noteholders);
- (k) next, in payment to the Class B Noteholders of all Secured Moneys owing to them to be applied firstly of accrued but unpaid interest on the Class B Notes and secondly in reduction of the Invested Amount of the Class B Notes until this is reduced to zero (in each case to be distributed *pari passu* and rateably between the Class B Noteholders);
- (l) next, in payment to the Class C Noteholders of all Secured Moneys owing to them to be applied firstly of accrued but unpaid interest on the Class C Notes and secondly in reduction of the Invested Amount of the Class C Notes until this is reduced to zero (in each case to be distributed *pari passu* and rateably between the Class C Noteholders);

- (m) next, in payment to the Class D Noteholders of all Secured Moneys owing to them to be applied firstly of accrued but unpaid interest on the Class D Notes and secondly in reduction of the Invested Amount of the Class D Notes until this is reduced to zero (to be distributed pari passu and rateably between the Class D Noteholders);
- (n) next, in payment to the Class E Noteholders of all Secured Moneys owing to them to be applied firstly of accrued but unpaid interest on the Class E Notes and secondly in reduction of the Invested Amount of the Class E Notes until this is reduced to zero (to be distributed pari passu and rateably between the Class E Noteholders);
- (o) next, in payment pari passu and rateably to the Liquidity Facility Provider and the Redraw Facility Provider of any amounts payable in respect of increased costs incurred by the Liquidity Facility Provider or the Redraw Facility Provider (as applicable) and which the Trustee is liable to reimburse under the relevant Support Facility and in payment to the Fixed Rate Swap Provider of any Obligor Break Costs charged in relation to the Mortgage Loans, and without double counting, any Waived Obligor Break Costs due by the Servicer to the Trustee to the extent such amounts remain payable to the Fixed Rate Swap Provider;
- (p) next, in payment to each Hedge Provider under a Hedge Agreement, pari passu and rateably between them, of any remaining Secured Moneys owing to the Hedge Provider the relevant Hedge Agreement;
- (q) next, in payment pari passu and rateably to each Secured Creditor any remaining amounts owing to that Secured Creditor which are secured under the General Security Deed;
- (r) next, in payment of subsequent security interests over the Collateral of which the Security Trustee is aware in the order of their priority; and
- (s) next, in payment of the surplus (if any) to the Trustee to be distributed in accordance with the terms of the Master Trust Deed and the Series Supplement.

9.4.5 Repayment of Collateral

Any Collateral provided to the Trustee as collateral or by way of prepayment of contingent future obligations by a Support Facility Provider or the Servicer, as applicable, to the Trustee will not be available for distribution as described in section 9.4.4. Any such collateral or amount (as the case may be) shall be returned to the relevant Support Facility Provider except to the extent that the relevant Support Facility Provider or Servicer, as applicable, except to the extent that any relevant Transaction Document requires it to be applied to satisfy any obligation owed to the Trustee by that Support Facility Provider or the Trustee.

9.4.6 Amendments to the Master Security Trust Deed or the General Security Deed

Subject to 5 Business Days' prior notice in writing being given to each Designated Rating Agency (or such other time as is agreed between the Manager and each Designated Rating Agency), the Security Trustee, the Manager and the Trustee may amend the Master Security Trust Deed or the General Security Deed if the amendment:

- (a) in the opinion of the Security Trustee (or a barrister, solicitor, tax accountant or tax specialist instructed by the Manager, the Trustee or the Security Trustee), is necessary or expedient to comply with any statute, ordinance, regulation or by-law or with the requirements of any Governmental Agency;
- (b) in the opinion of the Security Trustee is made to correct a manifest error or ambiguity or is of a formal, technical or administrative nature only;
- (c) in the opinion of the Security Trustee is appropriate or expedient as a consequence of an amendment to any statute or regulation or altered requirements of any

governmental agency or any decision of any court (including, without limiting the generality of the foregoing, an alteration, addition or modification which is in the opinion of the Security Trustee appropriate or expedient as a consequence of the enactment of, or amendment to, any statute or regulation or any tax ruling or government announcement or statement or any decision handed down by a court altering the manner or basis of taxation of trusts);

- (d) in the opinion of the Security Trustee or the Manager will enable the provisions of the Master Security Trust Deed or the General Security Deed to be more conveniently, advantageously, profitably or economically administered; or
- (e) in the opinion of the Security Trustee, the Manager and the Trustee is otherwise desirable for any reason.

However, where an amendment referred to in paragraphs (d) and (e) above will be or is likely to be, in the opinion of the Security Trustee, materially prejudicial to the interests of a particular Secured Creditor (other than a Noteholder) then the amendment can only be made if the relevant Secured Creditor consents.

If in the opinion of the Security Trustee any amendment, addition or revocation referred to in (d) and (e) will be or is likely to become materially prejudicial to the rights of a particular class of Noteholders, the amendment, addition or revocation may only be effected if the Noteholders of that class pass an extraordinary resolution approving it (being a resolution requiring not less than 75% of all votes cast at a meeting of, or a written resolution signed by, the Noteholders of that class).

If in the opinion of the Security Trustee an amendment referred to in paragraphs (d) and (e) will be or is likely to become materially prejudicial to the rights of all Noteholders, such amendment can only be effected if the Noteholders pass an extraordinary resolution approving it (being a resolution requiring not less than 75% of all votes cast at a meeting of, or a written resolution signed by, the Noteholders) and even if the amendment affects Noteholders of a particular class there will not be a separate extraordinary resolution required for each class of noteholders unless the amendment is a Subordinated Note Basic Term Modification.

The Security Trustee is obliged to concur in and to effect any modifications to provisions of the Master Security Trust Deed or the General Security Deed requested by the Manager in certain circumstances, including to:

- (a) accommodate the appointment of a new Servicer, new Hedge Provider, new Seller, new Custodian, new Support Facility Provider or new Manager;
- (b) to take account of changes in the ratings criteria of the Designated Rating Agencies where, absent such modifications, the Manager is reasonably satisfied that the rating assigned by the Designated Rating Agencies to the Notes would be subject to an adverse rating effect (even where such changes are, or may be, prejudicial to Noteholders); and
- (c) to ensure compliance of the Series Trust or by any party to the Transaction Documents with, or ensure that the Series Trust or such parties, may benefit from, any existing, new or amended legislation, regulation, directive, prudential standard or prudential guidance note of any regulatory body (including APRA) relating to securitisation provided that the Manager has certified to the Security Trustee that such modifications are required in order to comply with or benefit from such legislation, regulation, directive, prudential standard or prudential guidance note, as the case may be.

However, the Security Trustee will not be obliged to concur in and effect any modifications to any provision of the Master Security Trust Deed in accordance with the foregoing, if to do so would (i) impose additional obligations on the Security Trustee which are not provided for or contemplated by the Transaction Documents; (ii) adversely affect the Security Trustee's rights under the

Transaction Documents or (iii) result in the Security Trustee being in breach of any applicable law.

9.4.7 Subordinated Note Basic Term Modification

Each class of Notes which ranks below the class then outstanding ranking in priority to all other Notes as determined by reference to the order of priority described in section 9.4.4 is referred to as a **Subordinated Class of Notes**.

Accordingly, a **Subordinated Note Basic Term Modification** is an amendment to a Transaction Document or to the terms and conditions of a Subordinated Class of Notes which has the effect of:

- (a) reducing, cancelling or postponing the date of payment, modifying the method for the calculation or altering the order of priority under a Transaction Document of any amount payable in respect of any principal or interest in respect of that Subordinated Class of Notes;
- (b) altering the currency in which payments under that Subordinated Class of Notes are to be made;
- (c) altering the majority required to pass an Extraordinary Resolution under the Master Security Trust Deed; or
- (d) sanctioning any scheme or proposal for the exchange or sale of that Subordinated Class of Notes for or the conversion of that Subordinated Class of Notes into or the cancellation of that Subordinated Class of Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Trustee or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or in consideration of cash.

No Subordinated Note Basic Term Modification will be effective for any purpose unless it has been sanctioned by an extraordinary resolution of the Noteholders of each relevant Subordinated Class of Notes (being a resolution requiring not less than 75% of all votes cast at a meeting of, or a written resolution signed by, the Noteholders of the relevant Subordinated Class of Notes).

9.4.8 Security Trustee Costs and Remuneration

Subject to sections 7 and 9.4.9, the Security Trustee is entitled to be reimbursed for all costs incurred in acting as Security Trustee.

The Security Trustee is entitled to be remunerated at the rate agreed from time to time between the Manager, the Security Trustee and the Trustee (such rate may include a component that represents or is referable to a goods and services tax).

9.4.9 Limitations on Security Trustee's and Trustee's Liability

The Security Trustee will have no liability under or in connection with any Transaction Document (whether to the Secured Creditors or any other person) in relation to the Series Trust other than to the extent to which the liability is able to be satisfied out of the property it holds on trust for the Secured Creditors under the Master Security Trust Deed from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent that it is not satisfied because, under the Master Security Trust Deed or General Security Deed or by operation of law, there is a reduction in the extent of the Security Trustee's indemnification as a result of the Security Trustee's fraud, negligence or wilful default.

The Security Trustee will be indemnified out of the property it holds on trust for the Secured Creditors under the Master Security Trust Deed against all liabilities incurred by the Security Trustee in connection with performing or exercising any of its powers or duties in relation to the Security Trust. This indemnity is in addition to any indemnity allowed by law, but does not extend to liabilities arising from the Security Trustee's fraud, negligence or wilful default.

In no event will the Security Trustee be personally liable for any failure or delay in the performance of its obligations under any Transaction Document because of circumstances beyond its control including, but not limited to: acts of God; flood; war (whether declared or undeclared); terrorism; fire; riot; embargo; general labour dispute; any statute, ordinance, code or other law which restricts or prohibits the Security Trustee from performing its obligations under any Transaction Document; the inability to obtain or the failure of equipment or the interruption of communications or computer facilities to the extent, in each case, that these occurrences are beyond the control of the Security Trustee and any other causes beyond the Security Trustee's control.

The Security Trustee will also not be liable in its personal capacity for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable, even if the Security Trustee has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise; provided that this this subparagraph will not apply to the extent that there is a determination by a relevant court of fraud by the Security Trustee. This limitation does not limit the liability of the Security Trustee in its capacity as trustee of a Security Trust.

9.4.10 Limitation of Responsibility and Liability of the Security Trustee

The Master Security Trust Deed contains a range of provisions regulating the scope of the Security Trustee's duties and liabilities. These include (which list is not exhaustive) the following:

- (a) the Security Trustee is not required to monitor whether an Event of Default has occurred or inquire as to compliance by the Trustee or the Manager with the Transaction Documents, or their other activities;
- (b) the Security Trustee is not required to take any enforcement action under the Master Security Trust Deed, except as directed by an extraordinary resolution of Voting Secured Creditors;
- (c) the Security Trustee is not required to act in relation to the enforcement of the Master Security Trust Deed unless its liability is limited in a manner satisfactory to it and the Secured Creditors place it in funds and indemnify it to its satisfaction;
- (d) the Security Trustee is not responsible for the adequacy or enforceability of any Transaction Documents;
- (e) the Security Trustee need not give to the Secured Creditors information concerning the Trustee or the Manager which comes into the possession of the Security Trustee;
- (f) the Trustee gives wide ranging indemnities to the Security Trustee in relation to its role as Security Trustee; and
- (g) the Security Trustee may rely on documents and information provided by the Trustee or the Manager.

9.4.11 Retirement, Removal and Replacement of the Security Trustee

The Security Trustee must retire as Security Trustee of the Security Trust if:

- (a) an Insolvency Event occurs in respect of it in its personal capacity or;

- (b) it ceases to carry on business;
- (c) a Related Body Corporate of it retires or is removed as trustee of the Series Trust under the Master Trust Deed and the Manager requires the Security Trustee by notice in writing to retire;
- (d) an extraordinary resolution requiring its retirement is passed at a meeting of Voting Secured Creditors; or
- (e) it fails to comply with any of its obligations under any Transaction Document and such action has had or, if continued, will have an Adverse Effect and, if capable of remedy, is not remedied within 20 Business Days of written notice from the Manager or the Trustee.

If the Security Trustee refuses to retire immediately after any of these events have occurred, the Manager is entitled to remove the Security Trustee from office immediately by notice in writing if an event referred to above has occurred. If this occurs the Trustee must use reasonable endeavours to appoint a new Security Trustee which is notified by the Manager to each Designated Rating Agency. If the Trustee does not appoint a new Security Trustee the Manager, may appoint the new Security Trustee provided it has notified each Designated Rating Agency of the appointment.

If the Manager is unable to appoint a new Security Trustee at a time when the position of Security Trustee becomes vacant, it must promptly convene a meeting of voting secured creditors of all series trusts established under the Master Trust Deed at which such voting secured creditors, holding or representing between them Voting Entitlements comprising in aggregate a number of votes which is not less than 75% of the aggregate number of votes comprised in the total Voting Entitlements at that time may appoint any person nominated by any of them as the new Security Trustee.

9.4.12 Voluntary Retirement of the Security Trustee

The Security Trustee may retire as trustee of all security trusts established under the Master Security Trust Deed (including the Security Trust relating to the Series Trust) upon giving 3 months' notice in writing to the Trustee, the Manager and each Designated Rating Agency (or such lesser time as the Manager, the Trustee and the Security Trustee agree).

On such retirement, the Security Trustee may appoint another person approved by the Manager and the relevant secured creditors as its replacement (provided the Manager gives notice to each Designated Rating Agency of the replacement).

If the Security Trustee does not propose a replacement by the date at least 1 month prior to the date of its proposed retirement, the Manager is entitled to appoint a new Security Trustee approved by the voting secured creditors of all series trusts established under the Master Trust Deed by way of an extraordinary resolution (being the approval of voting secured creditors, holding or representing between them Voting Entitlements comprising in aggregate a number of votes which is not less than 75% of the aggregate number of votes comprised in the total Voting Entitlements at that time or all relevant voting secured creditors in writing) provided that the Manager notifies each Designated Rating Agency in respect of and prior to the date of the proposed retirement.

9.4.13 Appointment by voting secured creditors

If the Manager is unable to appoint a new Security Trustee at a time when the position of Security Trustee becomes vacant as described in sections 9.4.11 and 9.4.12, it must promptly convene a meeting of voting secured creditors of all series trusts established under the Master Trust Deed at which such voting secured creditors, holding or representing between them Voting Entitlements comprising in aggregate a number of votes which is not less than 75% of the aggregate number of votes comprised in the total Voting Entitlements at that time may appoint any person nominated by any of them as the new Security Trustee.

9.4.14 Rating Notification

Any resignation or removal of the Security Trustee and appointment of a new Security Trustee in relation to the Series Trust will not become effective unless the Manager has given a Rating Notification in relation to such appointment.

10. The Series Trust

10.1 Creation of Trusts

10.1.1 Creation of the Series Trust

The Master Trust Deed provides for the creation of an unlimited number of series trusts. Each series trust is a separate and distinct trust fund. The assets of each series trust are not available to meet the liabilities of any other series trust and the Trustee must ensure that no moneys held by it in respect of any series trust are commingled with any moneys held by the Trustee in respect of any other series trust.

The beneficial ownership of the Series Trust is divided into two classes of Units, ten Capital Units and one Income Unit.

The Trustee of the Series Trust will fund the purchase of the Mortgage Loans in the Mortgage Loan Pool by issuing the Notes.

The Series Trust is established for the purposes of the Trustee:

- (a) acquiring (and disposing of) Mortgage Loan Rights as approved financial assets, and acquiring (and disposing of) Authorised Short-Term Investments, in accordance with the Transaction Documents;
- (b) issuing (and redeeming) the Notes and the Units in accordance with the Transaction Documents; and
- (c) entering into, performing its obligations and exercising its rights under and taking any action contemplated by any of the Transaction Documents (as amended from time to time and including any additional Transaction Documents entered into in accordance with the Master Trust Deed or the Series Supplement from time to time),

and the Trustee, on the direction of the Manager, may exercise any or all of its powers under the Transaction Documents for these purposes and any purposes incidental to these purposes.

10.1.2 Creation of the Seller Trust

In addition to the Mortgage Loans sold to the Series Trust, the following will also be sold to the Trustee:

- (a) the mortgages and collateral securities securing the Mortgage Loans; and
- (b) all other loans (the **Other Loans**) secured by the sold mortgages.

The Trustee's interest in the Other Loans will be held by way of a separate trust by the Trustee for the Seller (the **Seller Trust**). The Trustee's interest in the mortgages and collateral securities which secure only the Mortgage Loans will be held by the Trustee for the Series Trust. The Trustee's interest in the mortgages and collateral securities which secure the Other Loans in addition to the Mortgage Loans will also be held by the Trustee for the Series Trust but only to the extent that the proceeds the Trustee receives on their realisation equal the amount outstanding under the Mortgage Loans they secure (after payment of all enforcement expenses). The balance will be held by the Trustee subject to the terms of the Seller Trust and together with the Other Loans will comprise the assets of the Seller Trust.

The Trustee must not (and the Manager must not direct the Trustee to) dispose of or create any security interest in a collateral security which secures a Mortgage Loan and an Other Loan unless the relevant transferee or holder of the security interest is first notified of the interest of the Seller Trust in that collateral security. If the Trustee has breached (or the Seller reasonably believes that the Trustee will breach) this restriction, the Seller will be entitled to lodge caveats to protect its interests in the relevant collateral securities.

10.1.3 Transfer of Mortgage Loans from another series trust under the Master Trust Deed

The Master Trust Deed provides for the transfer of some or all of the assets of one trust established under it (the **Disposing Trust**) to another (the **Acquiring Trust**), subject to the requirements of the Master Trust Deed and the series supplements for both the Disposing Trust and the Acquiring Trust.

Under the Master Trust Deed, if the Trustee as trustee of a Disposing Trust has received:

- (a) a Transfer Proposal issued by the Manager in accordance with the Master Trust Deed; and
- (b) the Transfer Amount in respect of that Transfer Proposal,

then, subject to the requirements of the Master Trust Deed and the series supplements for both the Disposing Trust and the Acquiring Trust, the Trustee will hold the Assigned Assets in respect of that Transfer Proposal as trustee of the Acquiring Trust in accordance with the terms of the series supplement in relation to the Acquiring Trust.

To ensure that the Disposing Trust has the benefit of any receipts (other than receipts in the nature of principal), and bears the cost of any outgoings, in respect of the Assigned Assets for the period up to (but excluding) the Assignment Date and the Acquiring Trust has the benefit of such receipts and bears such costs for the period after (and including) that Assignment Date, the Manager may direct the trustee as trustee of the Acquiring Trust to pay an Adjustment Advance to the Disposing Trust on the Assignment Date.

The Series Trust will be an Acquiring Trust in respect of the Warehouse Mortgage Loans acquired on the Closing Date from the relevant Warehouse Trust (the relevant Warehouse Trust being the Disposing Trust).

10.1.4 Transfer of Mortgage Loans from another series trust under the Sale Deed

The Sale Deed provides for the transfer of some or all of the assets of a trust established under the Light Trusts Master Trust Deed dated 26 July 2007 entered into between the Manager, Perpetual Corporate Trust Limited and PCCU dated 26 July 2007 (the **Old Master Trust Deed**) (the **Disposing Trust**) to a series trust established under the Master Trust Deed (the **Acquiring Trust**), subject to the requirements of the Sale Deed and the series supplements for both the Disposing Trust and the Acquiring Trust.

Under the Sale Deed, if Perpetual Corporate Trust Limited as trustee of a Disposing Trust has received:

- (a) a Transfer Proposal issued by the Manager in accordance with the Sale Deed; and
- (b) the Transfer Amount in respect of that Transfer Proposal,

then, subject to the requirements of the Sale Deed and the series supplements for both the Disposing Trust and the Acquiring Trust, the Trustee will hold the Assigned Assets in respect of that Transfer Proposal as trustee of the Acquiring Trust in accordance with the terms of the series supplement in relation to the Acquiring Trust.

To ensure that the Disposing Trust has the benefit of any receipts (other than receipts in the nature of principal), and bears the cost of any outgoings, in respect of the Assigned Assets for the period up to (but excluding) the Assignment Date and the Acquiring Trust has the benefit of such receipts and bears such costs for the period after (and including) that Assignment Date, the Manager may direct the Trustee as trustee of the Acquiring Trust to pay an Adjustment Advance to the Disposing Trust on the Assignment Date.

The Series Trust will be an Acquiring Trust in respect of the Warehouse Mortgage Loans acquired on the Closing Date from each relevant Warehouse Trust (each relevant Warehouse Trust being a Disposing Trust).

10.2 Assignment of Mortgage Loans

10.2.1 Assignment of Seller Mortgage Loans

With effect from the Cut-Off Date the Seller will on payment of the consideration described in section 10.2.3, equitably assign its entire interest in, to and under the following to the Trustee:

- (a) the Seller Mortgage Loans;
- (b) all Other Loans in existence from time to time in relation to the Seller Mortgage Loans (to be held by the Trustee as trustee of the Seller Trust as described in section 10.1.2);
- (c) all mortgages in existence from time to time in relation to the Seller Mortgage Loans;
- (d) all collateral securities in existence from time to time securing the Seller Mortgage Loans;
- (e) all moneys owing at any time thereafter in connection with the Mortgage Loans;
- (f) the Mortgage Insurance Policies in relation to the Seller Mortgage Loans in existence as at the Closing Date; and
- (g) the documents relating to the above, including the original or duplicates of the relevant loan agreements, mortgages, collateral securities, insurance policies and the certificate of title (where existing) in relation to the land secured by the mortgages (the **Mortgage Documents**).

The items referred to in paragraphs (a) to (g) above are together known as the **Mortgage Loan Rights**.

The Trustee will assume the risk of losses with respect to the Mortgage Loans acquired by the Trustee arising from any default by a borrower. If cash flows relating to a Mortgage Loan are re-scheduled or re-negotiated, the Trustee will be subject to the re-scheduled or re-negotiated terms.

If any mortgages or collateral securities are granted after the Cut-Off Date which secure a Mortgage Loan or an insurance policy or any Mortgage Document is entered into in connection with a Mortgage Loan after the Cut-Off Date, these will be also assigned with the relevant Seller Mortgage Loans to the Trustee.

There are circumstances in which a mortgage that secures a Mortgage Loan may secure another loan that is not an Asset of the Series Trust (for an example refer to section 10.2.7). The Trustee in its capacity as trustee of the Series Trust will only be assigned those securities that appear in its records as intended to secure the Mortgage Loans assigned by the Seller to the Trustee. Any other securities which by their terms secure the Mortgage Loans but were not taken for that purpose are (as are the corresponding insurance policies) held by the Trustee as trustee of the Seller Trust (see section 10.1.2) and are not held for the benefit of the Noteholders, and the expressions "Mortgage Loan Rights" and "Mortgage Documents" should be construed accordingly.

If the Seller enforces a mortgage relating to a Mortgage Loan as a result of a default by a borrower in respect of other facilities provided by the Seller to the borrower, the proceeds of enforcement of the related mortgage are made available to the Trustee in priority to the Seller (after accounting for any costs of enforcement).

10.2.2 Sale in equity only and free of set-off to extent permitted by law

The assignment of Mortgage Loans and related securities to the Trustee will initially be in equity only. The Trustee will not be entitled to take any steps to perfect its legal title or give notice to any party to the Mortgage Documents unless a Perfection of Title Event under the Master Sale and Servicing Deed occurs (see section 10.2.10).

To the extent permitted by law, the Mortgage Loans will be sold free of any rights of set-off which any borrowers or security providers may have.

10.2.3 Consideration payable to a Warehouse Trust and Seller

On the Closing Date the Trustee will, in consideration of the assignment of the Mortgage Loans and related securities pay to the Seller and each relevant Warehouse Trust the total principal amount outstanding (as recorded on the Servicer's database) in respect of the Mortgage Loans calculated as at the Cut-Off Date. The Trustee may also pay to the relevant Warehouse Trust an Adjustment Advance as described in section 7.4.6.

To the extent that the amount subscribed by the initial Noteholders exceeds the aggregate of the total principal balance outstanding as at the Cut-Off Date in respect of the Mortgage Loans plus the Adjustment Advance (if any), the excess will form part of the Collections for the first Collection Period (see section 7.3.1).

10.2.4 Seller's Representations and Warranties in relation to the Mortgage Loans

The Trustee will have the benefit of representations and warranties made by the Seller in relation to each Seller Mortgage Loan as at the Cut-Off Date. The Trustee will also have the benefit of similar representations and warranties made by the Seller in relation to the Warehouse Mortgage Loans made at the time those Mortgage Loans were assigned by the Seller to the relevant Warehouse Trust (as at the relevant cut-off date for each such assignment). In the case of the Warehouse Mortgage Loans no fresh representations and warranties are given by either the Seller or the trustee of the relevant Warehouse Trust. The representations and warranties made in respect of each Seller Mortgage Loan are as follows:

- (a) all consents required in relation to the assignment of the Mortgage Loans and related Mortgage Loan Rights have been obtained and they are assignable;
- (b) the Seller is the sole legal and beneficial owner of the Mortgage Loans and related Mortgage Loan Rights and its interest in them is free and clear of any Security Interest (other than any Security Interest arising solely as the result of any action taken by the Trustee in connection with the relevant Series Trust);
- (c) the Mortgage Loans comply with the Eligibility Criteria (see section 6.3);
- (d) each of the relevant Mortgage Documents (other than the Mortgage Insurance Policies) relating to the Mortgage Loan which is required to be stamped with stamp duty has been duly stamped and is legally valid, binding and enforceable against the obligor in all material respects except to the extent it is affected by laws relating to creditors rights generally or doctrines of equity;
- (e) the Trustee will, on the Closing Date if a sale notice is accepted by it in accordance with the Master Sale and Servicing Deed, acquire all beneficial right, title and interest to and in the Mortgage Loan and related collateral security;
- (f) once equitably assigned to the Trustee, the Mortgage Loans and related Mortgage Loan Rights will not be subject to any right of rescission, set-off, counterclaim or similar defence, other than statutory rights of set-off;
- (g) at the time the Mortgage Loan and mortgage relating to the Mortgage Loan was entered into, it complied in all material respects with applicable laws including, if

required, the Consumer Credit Code and the Seller is in compliance with its obligations in respect of the Mortgage Loan and related mortgage in connection with its administration and servicing;

- (h) the relevant Obligor is, as applicable, the sole legal owner of the relevant mortgaged property and registered as the sole proprietor of the relevant mortgaged property;
- (i) if the Mortgage Loan has the benefit of a Mortgage Insurance Policy, the sale of the Mortgage Loan to the Trustee is not contrary to the relevant Mortgage Insurance Policy and the Seller has not done or omitted to do anything and nothing has otherwise occurred which might prejudicially affect or limit its rights or the rights of the Trustee under or in respect of a Mortgage Insurance Policy (including the payment of any premiums due under that Mortgage Insurance Policy) to the extent that those rights relate to the Mortgage Loan or related Mortgage Loan Rights. On sale of the Mortgage Loan to the Trustee to the extent that it is the subject of a Mortgage Insurance Policy:
 - (i) the Trustee will have the benefit of the relevant Mortgage Insurance Policy for that Mortgage Loan;
 - (ii) the Seller has or will obtain the acknowledgement of the Approved Mortgage Insurer to the sale if required by the terms of that Mortgage Insurance Policy; and
 - (iii) the Seller has not, as at the Cut-Off Date, been advised by the relevant Approved Mortgage Insurer of any breach of that Mortgage Insurance Policy;
- (j) if the Mortgage Loan is the subject of a Mortgage Insurance Policy, it does not have actual notice that the Approved Mortgage Insurer is insolvent or will be unable to pay a valid claim;
- (k) there has been no fraud, dishonesty, material misrepresentation or negligence on its part in connection with the selection and offering to the Trustee of the Mortgage Loan and related Mortgage Loan Rights;
- (l) the sale, transfer and assignment of the Seller's interest in the Mortgage Loan Rights will not constitute a breach of any Mortgage Document or its obligations or a default by it under any Security Interest binding on the Seller or affecting the assets of the Seller;
- (m) it, a solicitor engaged by or on its behalf, a stamp duties office, a land titles office or other governmental agency (for stamping or registration purposes) holds in its possession or control all related Mortgage Documents necessary to register and enforce the provisions of, and the security created by, the corresponding related securities;
- (n) the Mortgage Loan has not been satisfied, cancelled, discharged or rescinded and the relevant mortgaged property has not been released from the security of the relevant mortgage;
- (o) except as specified in the relevant loan agreements and subject to applicable laws (including the Consumer Credit Code), any binding provision or order of any competent authority, the interest rate payable on the Mortgage Loan is not subject to any limitation and no consent, additional memoranda or other writing is required from the relevant Obligor to give effect to a change in that rate and any such change will be effective on notice being given to that Obligor in accordance with the terms of the relevant Mortgage Loan and mortgage. This paragraph does not apply to Mortgage Loans with a fixed rate of interest;

- (p) at the time the Mortgage Loan and related securities were entered into they complied in all material respects with the relevant Operations Manual and the Mortgage Loan, related Mortgage and First Layer of Collateral Securities have been managed by it in accordance with the relevant Operations Manual.
- (q) at the time it entered into the Mortgage Loan, related securities, it did so in good faith;
- (r) at the time it entered into the Mortgage Loan, related securities, the Mortgage Loan was originated in the ordinary course of the its business;
- (s) at the time it entered into the Mortgage Loan, all necessary steps were taken in respect of each mortgage created in connection with the Mortgage Loan so that each mortgage complied with the legal requirements applicable at that time to ensure that the Mortgage was:
 - (i) a valid and enforceable mortgage secured over land and is either:
 - A) a first-ranking mortgage; or
 - B) a second-ranking mortgage, where the first-ranking mortgage has also been sold to the Trustee under a sale notice; and
 - (ii) to the extent registrable, registered with the relevant governmental agency;
- (t) at the time that the Mortgage Loan was entered into, it had not received any notice of the insolvency, bankruptcy or liquidation of each relevant Obligor or any notice that any such person did not have the legal capacity to enter into the corresponding mortgage;
- (u) all information provided by it to the Trustee in connection with the Mortgage Loan, related mortgage and related securities was, when given, true and accurate in all material respects and not misleading or deceptive in any material respect and did not omit to state a material fact necessary in order to make the statements therein in light of the circumstances in which they were made not misleading or deceptive in any material respect;
- (v) it is not aware of any circumstance or event that may materially and adversely affect the value or enforceability of the Mortgage Loan, related securities;
- (w) it regards the consideration paid for the Mortgage Loan by the Trustee as fair and equal to the outstanding principal of the Mortgage Loan (plus or minus \$1,000); and
- (x) the terms of the Mortgage Documents relating to the Mortgage Loan include a clause to the effect that the Obligor waives all rights of set-off as between the Obligor and the Seller, other than to the extent set-off is required by law; and
- (y) there are no Linked Accounts in relation to the Mortgage Loan other than any Interest Offset Account in relation to the Mortgage Loan.

10.2.5 Manager and Trustee entitled to assume accuracy of representations and warranties

Each of the Manager and the Trustee is under no obligation to investigate or test the truth of any of the representations and warranties referred to in section 10.2.4 and is entitled to conclusively accept their accuracy (unless it is actually aware of a breach).

10.2.6 Consequences of a Breach of the Representations and Warranties

If the Seller, the Manager or the Trustee becomes actually aware that a representation or warranty referred to in section 10.2.4 was incorrect when given, it must notify the others within 5 Business Days.

If any representation or warranty is incorrect when given and notice of this is given by the Manager to the Seller or received by the Seller from the Trustee not later than 5 Business Days prior to the expiry of the Prescribed Period in relation to the relevant Mortgage Loan, and the Seller does not remedy the breach to the satisfaction of the Trustee within 5 Business Days of the notice being given, the Mortgage Loan and its related securities will no longer form part of the Assets of the Series Trust. However, all Collections received in connection with that Mortgage Loan from the Closing Date to the date of delivery of the notice are retained as Assets of the Series Trust. The Seller must pay to the Trustee the principal amount outstanding in respect of the relevant Mortgage Loan and interest accrued but unraised under the Mortgage Loan (as at the date of delivery of the relevant notice) on the day of that Mortgage Loan ceasing to form part of the Assets of the Series Trust.

During the Prescribed Period in relation to a Mortgage Loan, the Trustee's sole remedy for any of the representations or warranties being incorrect is the right to the above payment from the Seller. The Seller has no other liability for any loss or damage caused to the Trustee, any Noteholder or any other person.

If a representation or warranty by the Seller in relation to a Mortgage Loan and its related securities is discovered to be incorrect after the last day for giving notices in the Prescribed Period in relation to the Mortgage Loan, the Seller must indemnify the Trustee against any costs, damages or loss arising from the representation or warranty being incorrect. The amount of such costs, damages or loss must be agreed between the Trustee (acting on expert advice if reasonably determined necessary by the Trustee) and the Seller or, failing this, be determined by the Seller's external auditors. The amount of such costs, damages or loss must not exceed the principal amount outstanding, together with any accrued but unraised interest and any outstanding fees, in respect of the Mortgage Loan.

The above are the only rights that the Trustee has if a representation or warranty given by the Seller in relation to a Mortgage Loan or its related securities is discovered to be incorrect. In particular, this discovery will not constitute a Perfection of Title Event under the Master Sale and Servicing Deed except in the circumstances described in section 10.2.10 below.

10.2.7 Consequences of Further Advances by the Seller or provision of additional features

Under the terms and conditions of each Mortgage Loan, the Seller may, subject to its credit review process, make an advance to a borrower after the Cut-Off Date (a **Further Advance**).

If the Seller makes a Further Advance and opens a separate account in its records in relation to that Further Advance, then the Further Advance will be an Other Loan, and will be held by the Trustee for the Seller as trustee of the Seller Trust and the Mortgage Loan and its related securities will no longer form part of the Assets of the Series Trust. In return the Seller must pay the Trustee the principal amount (before the Further Advance) of, and accrued but unpaid interest on, the Mortgage Loan.

If the Seller makes a Further Advance which it records as a debit to the account in its records for an existing Mortgage Loan and which does not lead to an increase in the Scheduled Balance of that Mortgage Loan, the Further Advance is treated as an advance made pursuant to the terms of the relevant Mortgage Loan (each a **Redraw**) and the rights to repayment will be an amount due under the Mortgage Loan and will form part of the Assets of the Series Trust. The Seller may set-off the amount of any such Redraw against Collections held by it or on notifying the Manager of the Redraw, the Seller may be reimbursed by the Trustee for a Redraw if there are sufficient Collections for this purpose in the Collections Account (in each case as described in section 7.4.7). Failing that, the Redraw will be deemed to be an Advance under the Redraw Facility Agreement.

If the Seller makes a Further Advance which it records as a debit to the account in its records for an existing Mortgage Loan and which leads to an increase in the Scheduled Balance, the Mortgage Loan and its related securities will no longer form part of the Assets of the Series Trust and will instead be held by the Trustee for the Seller as trustee of the Seller Trust. In return the Seller must pay the Trustee the principal amount (before the Further Advance) of, and accrued but unpaid interest on, the Mortgage Loan.

If upon request of an obligor in relation to a Mortgage Loan, the Seller provides a Conversion or an additional feature offered with respect to other Mortgage Loans originated by the Seller which cannot be provided or added to the Mortgage Loan while it remains as an Asset of the Series Trust or for any other similar purpose a Mortgage Loan cannot remain as an Asset of the Series Trust, the Mortgage Loan is treated as having been repaid in full by the payment by the Seller to the Trustee of the sum necessary to repay that Mortgage Loan. Such payment from the Seller must equal the principal amount outstanding plus accrued but unpaid interest owing in respect of the Mortgage Loan and must be allocated by the Trustee to the Collections Account of the Series Trust.

The Seller must not exercise its rights described in the preceding paragraphs if the Seller is aware that the borrower or mortgagor with respect to the relevant Mortgage Loan is in default of its obligations under the Mortgage Loan.

10.2.8 Repayment of a Mortgage Loan

If a Mortgage Loan is repaid in full, the remaining interest (if any) in the Mortgage Loan and its related securities will no longer form part of the Assets of the Series Trust. However, if any related securities also secure other existing Mortgage Loans, the Trustee will continue to hold the related securities until repayment of those other Mortgage Loans.

10.2.9 Clean-Up Offer

On the Determination Date immediately preceding the Call Date or any Determination date thereafter, the Manager may (in its discretion) direct the Trustee to give the Seller notice of exercise of the Clean-Up Offer. By giving that notice, the Trustee is deemed to irrevocably offer (the **Clean-Up Offer**) to extinguish in favour of the Seller its entire right, title and interest in the Mortgage Loans and related securities in return for payment by the Seller to the Trustee of the Clean-Up Settlement Price on the Call Date or any such following Distribution Date. The Trustee's entire right, title and interest in the Mortgage Loans and related securities will be extinguished with effect from the end of the last day of the Collection Period which ended prior to the payment of the Clean-Up Settlement Price by the Seller.

If the Clean-Up Settlement Price is not at least equal to the principal outstanding plus accrued interest in respect of each Mortgage Loan the Manager must seek the approval of Noteholders by way of an extraordinary resolution approving the Clean-Up Offer at the relevant Clean-Up Settlement Price (being not less than 75% of all votes cast at a meeting of the Noteholders or a written resolution signed by all the Noteholders).

However, if the Clean-Up Settlement Price is insufficient to ensure Noteholders will receive the aggregate of the Stated Amounts of the Notes and Interest payable on the Notes, then the Clean-Up Offer will be conditional upon an extraordinary resolution of Noteholders approving the Clean-Up Settlement Price.

10.2.10 Perfection of Title Event

A Perfection of Title Event occurs under the Master Sale and Servicing Deed if:

- (a) an Insolvency Event occurs in relation to the Seller; and
- (b) the Seller makes any representation or warranty under the Master Sale and Servicing Deed in relation to a Mortgage Loan (see section 10.2.4) which is incorrect when made (other than where the Seller has complied with its obligations described in section 10.2.6 as a consequence) and that has, or if continued will have, an Adverse

Effect as reasonably determined by the Trustee after the Trustee is actually aware of such representation or warranty being incorrect and:

- (i) such breach is not satisfactorily remedied so that it no longer has or will have an Adverse Effect, within 20 Business Days (or such longer period as the Trustee agrees) of notice thereof to the Seller from the Manager or the Trustee; or
- (ii) the Seller has not within 20 Business Days (or such longer period as the Trustee agrees) of such notice, paid compensation to the Trustee for its loss (if any) suffered as a result of such breach in an amount satisfactory to the Trustee (acting reasonably).

The Trustee must declare a Perfection of Title Event (of which the Trustee is actually aware) by notice in writing to the Servicer, the Manager and each Designated Rating Agency unless the Manager has issued a Rating Notification in relation to the failure of the Trustee to take any action permitted to be taken by it under the Master Sale and Servicing Deed following a declaration.

If, and only if, the Trustee declares that a Perfection of Title Event has occurred, the Trustee and the Manager must immediately (unless approved by an extraordinary resolution of all noteholders) take all steps necessary to perfect the Trustee's legal title to the Mortgage Loan Rights (including lodgement of mortgage transfers) and must notify the relevant borrowers and mortgagors (including informing them, where appropriate that they should make payment in the manner specified to them by the Trustee.

On becoming aware of the occurrence of a Perfection of Title Event the Trustee must, within 30 Business Days, either have commenced all necessary steps to perfect legal title in, or have lodged a caveat in respect of, the Trustee's interest in each Mortgage Loan. However, if the Trustee does not hold all the Mortgage Documents necessary to vest in it the Seller's right, title and interest in any Mortgage Loan, within 5 Business Days of becoming aware of the occurrence of a Perfection of Title Event, the Trustee must, to the extent of the information available to it, lodge a caveat or similar instrument in respect of the Trustee's interest in that Mortgage Loan.

10.3 The Trustee

10.3.1 Appointment

The Trustee is appointed as trustee of the Series Trust on the terms set out in the Master Trust Deed, the Series Supplement and the other Transaction Documents.

10.3.2 The Trustee's undertakings

The Trustee undertakes, among other things, that it will:

- (a) act in the interests of the Investors on and subject to the terms and conditions of the Master Trust Deed and the Series Supplement and, in the event of a conflict between such interests, act in the interests of the Noteholders;
- (b) exercise all due diligence and vigilance in carrying out its functions and duties and in protecting the rights and interests of the Investors;
- (c) do everything and take all actions which are necessary to ensure that it is able to maintain its status as trustee of the Series Trust;
- (d) act honestly and in good faith in the performance of its duties and in the exercise of its discretions under the Master Trust Deed and the Series Supplement;

- (e) exercise all diligence and prudence as a prudent person of business would exercise in performing its express functions and in exercising its discretions under the Master Trust Deed, having regard to the interests of the Investors;
- (f) use all reasonable endeavours to carry on and conduct its business in so far as it relates to the Master Trust Deed and the Series Trust in a proper and efficient manner;
- (g) keep accounting records which correctly record and explain all amounts paid and received by the Trustee; and
- (h) keep the Series Trust separate from each other series trust which is constituted pursuant to the Master Trust Deed and account for the assets and liabilities of the Series Trust separately from the assets and liabilities of such other series trusts.

10.3.3 No duty to investigate

Under the Master Trust Deed, the Master Sale and Servicing Deed and the Series Supplement the Trustee has no duty to investigate whether or not a Manager Default, Servicer Default or a Perfection of Title Event has occurred and can assume compliance except where the Trustee has actual notice, knowledge or awareness of the event.

Subject to the provisions of the Transaction Documents dealing with deemed receipt of notices or other communications, the Trustee will only be considered to have knowledge, awareness or notice of a thing or grounds to believe anything by virtue of the officers of the Trustee (or any Related Body Corporate of the Trustee's) who have day to day responsibility for the administration or management of the Trustee's (or a Related Body Corporate of the Trustee's) obligations in respect of the Series Trust or the Seller Trust having actual knowledge, actual awareness or actual notice of that thing, or grounds or reason to believe that thing. Notice, knowledge or awareness of a Trustee Default, Manager Default, Servicer Default or Perfection of Title Event means notice, knowledge or awareness of the occurrence of the event or circumstances constituting a Trustee Default, Manager Default, Servicer Default or Perfection of Title Event.

10.3.4 The Trustee's powers

Subject to the Master Trust Deed, the Trustee has all the powers in respect of the Assets of the Series Trust which it could exercise if it were the absolute and beneficial owner of those assets.

In particular, the Trustee has power to:

- (a) accept, select, acquire, invest in, dispose of or deal with any asset or property of the Series Trust (including the Mortgage Loans) in accordance with the Manager's written directions or in accordance with the Transaction Documents;
- (b) purchase and sell any asset of the Series Trust for cash or upon terms in accordance with the written directions of the Manager or in accordance with the Transaction Documents;
- (c) obtain and act on advice from such advisers as may be necessary, usual or desirable for the purpose of enabling the Trustee to be fully and properly advised and informed in order that it can properly exercise its powers and obligations;
- (d) enter into, vary, perform, enforce (subject to the restrictions in the Master Trust Deed) and amend (subject to any relevant terms and conditions) the Transaction Documents;
- (e) subject to the limitations set out in the Master Trust Deed, borrow or raise money, whether or not on terms requiring security to be granted over the Assets of the Series Trust; and

- (f) refuse to comply with any instruction or direction from the Manager, the Servicer or the Seller in respect of the Series Trust where it reasonably believes that the rights and interests of the Investors are likely to be materially prejudiced by so complying;
- (g) with the agreement of the Manager, do things incidental to any of its specified powers or necessary or convenient to be done in connection with the Series Trust or the Trustee's functions; and
- (h) purchase any Mortgage Loan notwithstanding that, as at the Cut-Off Date, such Mortgage Loan is in arrears at the time of its acquisition by the Trustee.

10.3.5 Delegation by Trustee

The Trustee is entitled to appoint the Manager, the Servicer, the Seller, a Custodian, the Security Trustee, a Related Body Corporate or any other person selected with reasonable care and in good faith to be a delegate of the Trustee for the purposes of carrying out and performing its duties and obligations in relation to the Series Trust provided that it does not delegate a material part of its duties and obligations. The Trustee at all times remains liable for the acts and omissions of its delegates which are Related Body Corporates.

10.3.6 The Trustee's fees and expenses

In respect of each Collection Period, the Trustee is entitled to a fee for performing its duties. The fee will be an amount agreed between the Manager and the Trustee and is payable to the Trustee in arrears on the Distribution Date following the end of the Collection Period. The Trustee Fee may also be adjusted, by agreement between the Trustee and the Manager. Any adjustment is subject to issue by the Manager of a Rating Notification in relation to the adjustment.

The Trustee is entitled to be reimbursed out of the Assets of the Series Trust in respect of all expenses properly incurred in respect of the Series Trust (but not general overhead costs and expenses). Furthermore, the Trustee is entitled to be indemnified out of the Assets of the Series Trust for all costs, charges, expenses and liabilities incurred by the Trustee in relation to or under any Transaction Document. The Trustee will also be indemnified for costs in connection with court proceedings alleging fraud, negligence or wilful default except where such allegation is found by the court to be correct.

To the extent that the fee payable to the Trustee on a Distribution Date is not paid in full in accordance with the Cashflow Allocation Methodology, the unpaid amount will accrue interest at the rate agreed between the Trustee and the Manager from time to time.

10.3.7 Retirement, removal and replacement of the Trustee

The **Trustee Default** occurs if:

- (a) the Trustee fails or neglects, within 20 Business Days (or such longer period as the Manager may agree to) after receipt of a notice from the Manager requiring it to do so, to carry out or satisfy any material duty or obligation imposed on it by a Transaction Document;
- (b) an Insolvency Event occurs with respect to the Trustee in its personal capacity;
- (c) the Trustee ceases to carry on business;
- (d) any action is taken in relation to the Trustee in its personal capacity in respect of which a Rating Notification would not be able to be given; or
- (e) the Trustee merges or consolidates with another entity unless:

- (i) the Manager consents to the merger or consolidation (which cannot be unreasonably withheld); or
- (ii) within 5 Business Days of the merger or consolidation the Manager has not given a Rating Notification in respect of the merger or consolidation.

If the Manager believes in good faith that a Trustee Default has occurred in relation to the Series Trust, the Manager may remove the Trustee on written notice.

The Manager may also remove the Trustee on written notice if a Trustee Default has occurred in relation to that Series Trust and the Manager has been directed to do so by the Noteholders by way of an extraordinary resolution (being not less than 75% of all votes cast at a meeting of Noteholders or a written resolution signed by all Noteholders).

10.3.8 Voluntary Retirement of the Trustee

The Trustee may voluntarily retire as trustee of all series trusts established under the Master Trust Deed on giving 3 months' written notice (or such lesser time as the Manager and the Trustee agree) to the Manager and each Designated Rating Agency.

10.3.9 Appointment of substitute Trustee

On the removal or retirement of the Trustee as described in sections 10.3.7 and 10.3.8, the Manager must use reasonable endeavours to appoint a substitute Trustee within 60 days of notice of the removal or retirement, as applicable, of the Trustee being given by the Manager or the Trustee, as applicable, provided that a Rating Notification has been issued by the Manager.

If the Manager has issued a notice to remove the Trustee as described in section 10.3.7 in relation to the Series Trust (but not all series trusts established under the Master Trust Deed), and has been unable to appoint a substitute, the Manager must convene a meeting of Investors at which a new Trustee may be appointed by extraordinary resolution.

The Manager must use reasonable endeavours to appoint a substitute Trustee, in respect of which the Manager has issued a Rating Notification, for all then series trusts under the Master Trust Deed within 30 days of the retirement or removal of the Trustee.

If, after 30 days, the Manager is unable to appoint a substitute Trustee it must convene a meeting of Investors at which a substitute Trustee may be appointed by extraordinary resolution of all Investors of the Series Trust and of any other trust constituted under the Master Trust Deed (being not less than 75% of all votes cast at a meeting of such Investors or a written resolution signed by all such Investors). If at such a meeting the Investors do not appoint a Substitute Trustee, the Trustee may but is not obliged to appoint as Trustee of the Series Trusts in writing a Substitute Trustee in respect of which the Manager has issued a Rating Notification. Until the appointment of the Substitute Trustee is complete, the Manager must use reasonable endeavours to ensure that, notwithstanding the removal of the Trustee, the Trustee's obligations under the Transaction Documents are complied with (to the extent possible).

If the Trustee does not propose a substitute at least 1 month prior to its proposed retirement, the Manager may appoint a substitute Trustee in respect of which the Manager has issued a Rating Notification.

If the Manager is unable to appoint a substitute Trustee within 30 days or it has not approved the substitute Trustee proposed by the retiring Trustee, then the Manager must convene a meeting of Investors of all then series trusts at which a substitute Trustee may be appointed by extraordinary resolution of all Investors of the series trusts and of any other series trust constituted under the Master Trust Deed (being not less than 75% of all votes cast at a meeting of such Investors or a written resolution signed by all such Investors). If at such a meeting the Investors do not appoint a Substitute Trustee, the Trustee may but is not obliged to appoint as Trustee of the series trusts in writing a Substitute Trustee provided that the Manager has issued a Rating Notification in relation to that proposed appointment of that Substitute Trustee. Until the appointment of the Substitute Trustee is complete, the Manager must use reasonable

endeavours to ensure that, notwithstanding the removal of the Trustee, the Trustee's obligations under the Transaction Documents are complied with (to the extent possible).

10.3.10 Substitute Trustee

The appointment of a substitute Trustee will not be effective until the substitute Trustee has executed a deed under which it assumes the obligations of the Trustee under the Master Trust Deed and the other Transaction Documents.

10.3.11 Limitation of the Trustee's responsibilities

The Trustee has the particular role and obligations specifically set out in the Transaction Documents. The Manager, Servicer and Seller are responsible for different aspects of the operation of the Series Trust, as described elsewhere in this Information Memorandum. The Trustee has no liability for any failure by the Manager, Seller, Servicer or other person appointed by the Trustee under any Transaction Document (other than a person whose acts or omissions the Trustee is liable for under any Transaction Document) to perform their obligations in connection with the Series Trust except to the extent such failure is caused by fraud, negligence or wilful default on the part of the Trustee or its officers, employees or agents or any other person whose acts or omissions the Trustee is liable for under the Transaction Documents.

10.3.12 Limitation of the Trustee's liability

The Master Trust Deed, Series Supplement and other Transaction Documents contain provisions which regulate the Trustee's liability to Noteholders, other creditors of the Series Trust and any beneficiaries of the Series Trust.

The Trustee enters into the Transaction Documents as trustee of the Series Trust and in no other capacity, and the Trustee incurs the Obligations solely in its capacity as trustee of the Series Trust and will cease to have any Obligation under the Transaction Documents if it ceases for any reason to be trustee of the Series Trust.

Except in the case of and to the extent of fraud, negligence or wilful default on the part of the Trustee:

- (a) the Trustee, its officers, employees, agents and delegates it will not be liable to pay, satisfy or perform any Obligations except to the extent such liability, payment or the costs of performing such Obligation (as applicable) are able to be satisfied out of the Assets against which the Trustee is actually indemnified as trustee of the Series Trust;
- (b) the parties other than the Trustee may not sue the Trustee in respect of liabilities incurred by the Trustee, acting in its capacity as trustee of the Series Trust, in any capacity other than as trustee of the Series Trust including seeking the appointment of a receiver (except in relation to the Assets of the Series Trust), a liquidator, an administrator or any similar person to the Trustee or prove in any liquidation, administration or arrangements of or affecting the Trustee (except in relation to the Assets of the Series Trust); and
- (c) this section 10.3.12 will not apply to any obligation or liability of the Trustee to the extent that it is not satisfied because under the Master Trust Deed or any other Transaction Document in relation to the Series Trust or by operation of law there is a reduction in the extent of the Trustee's indemnification out of the Assets of the Series Trust, as a result of the Trustee's fraud, negligence or wilful default.

The whole of the Transaction Documents are subject to these limitations on the Trustee's liability and the Trustee shall in no circumstances be required to satisfy any liability of the Trustee arising under, or for non-performance or breach of any Obligations under or in respect of, the Transaction Documents or under or in respect of any other document to which it is expressed to be a party out of any funds, property or assets other than the Assets of the Series Trust under the Trustee's control and in its possession as and when they are available to the Trustee to be

applied in exoneration for such liability provided that if the liability of the Trustee is not fully satisfied out of the Assets of the Series Trust as referred to in this section 10.3.12, the Trustee will be liable to pay out of its own funds, property and assets the unsatisfied amount of that liability but only to the extent of the total amount, if any, by which the Assets of the Series Trust have been reduced by reasons of fraud, negligence or wilful default by the Trustee in the performance of the Trustee's duties as trustee of the Series Trust.

No act or omission of the Trustee (including any related failure to satisfy any Obligations) will constitute fraud, negligence or wilful default of the Trustee for the purposes of this section 10.3.12 to the extent to which the act or omission was caused or contributed to by any failure of any other person to fulfil its obligations relating to the Series Trust or by any other act or omission of any other person.

No attorney, agent or other person appointed in accordance with the Transaction Documents has authority to act on behalf of the Trustee in a way which exposes the Trustee to any personal liability (except in relation to a Related Body Corporate of the Trustee), and no act or omission of such a person will be considered fraud, negligence or wilful default of the Trustee for the purposes of this section 10.3.12.

The Trustee is not obliged to enter into any other Transaction Documents or any other agreement or deed relating to the Series Trust (including any further commitment or obligation under such Transaction Document, agreement or deed) unless the Trustee's liability in relation to such other Transaction Document, agreement or deed is limited in a manner consistent with this section 10.3.12 or otherwise in a manner satisfactory to the Trustee in its absolute discretion.

10.4 The Manager

10.4.1 Appointment

The Manager is appointed as manager of the Series Trust on the terms set out in the Master Trust Deed and the Series Supplement.

10.4.2 The Manager's Undertakings

The Manager undertakes amongst other things that it will:

- (a) manage the Assets of the Series Trust which are not serviced by the Servicer and in doing so will exercise at least the degree of skill, care and diligence that an appropriately qualified manager of such Assets would reasonably be expected to exercise having regard to the interests of the Investors;
- (b) use all reasonable endeavours to carry on and conduct its business to which its obligations and functions under the Transaction Documents relate in a proper and efficient manner;
- (c) do everything to ensure that it and the Trustee are able to exercise all their powers and remedies and perform all their obligations under the Master Trust Deed and any of the other Transaction Documents to which it is a party and all other related arrangements;
- (d) act honestly and in good faith in the performance of its duties and in the exercise of its discretions under the Master Trust Deed and the Series Supplement;
- (e) exercise at least the degree of skill, care and diligence that an appropriately qualified manager of trusts equivalent to the Series Trust would reasonably be expected to exercise, having regard to the interests of the Investors; and
- (f) notify the Trustee promptly if it becomes actually aware of any Manager Default under the Master Trust Deed.

The parties to the Master Trust Deed have acknowledged and agreed that:

- (a) the Manager's obligations as manager of the Series Trust are limited to those set out in the Transaction Documents in relation to the Series Trust;
- (b) (without limiting the Manager's liability with respect to any breach of its obligations under the Transaction Documents in relation to the Series Trust) the Manager has no liability to the Trustee with respect to a failure by an Obligor, or any other person, to perform its obligations under any Mortgage Documents; and
- (c) the Manager is only obliged to remit any Collections in respect of the Series Trust (not being amounts payable by the Manager from its own funds including amounts payable in respect of breaches by the Manager of its obligations under the Transaction Documents in relation to the Series Trust) to the Trustee to the extent that these have been received by the Manager (if any).

10.4.3 The Manager may rely

If the Manager relies in good faith on an opinion, advice, information or statement given to it by experts (other than persons who are not independent of the Manager) it is not liable for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of that expert. An expert is regarded as independent notwithstanding that the expert acts or has acted as an adviser to the Manager so long as separate instructions are given to that expert by the Manager.

10.4.4 Delegation by the Manager

The Manager is entitled to appoint any person to be attorney or agent of the Manager for the purposes of carrying out and performing its duties and obligations in relation to the Series Trust provided that it does not delegate a material part of its duties and obligations. The Manager at all times remains liable for the acts or omissions of any such person to the extent that those acts or omissions constitute a breach by the Manager of its obligations in respect of the Series Trust.

10.4.5 The Manager's Fees and Expenses

The Manager is entitled to a fee (the **Management Fee**) for administering and managing the Series Trust for each Collection Period calculated at an agreed rate and based upon the actual number of days in the Collection Period divided by 365 and principal outstanding on the Mortgage Loans at the end of the Collection Period immediately preceding the Collection Period just ended. The Manager may agree to adjust the Management Fee from time to time by agreement with the Trustee subject to issue by the Manager of a Rating Notification in relation to the adjustment. The Management Fee for a Collection Period is payable by the Trustee in arrears on the Distribution Date following the end of the Collection Period in accordance with the Cashflow Allocation Methodology.

The Manager will be indemnified out of the Assets of the Series Trust for all expenses incurred by the Manager in connection with the enforcement or preservation of its rights under or in respect of any Transaction Document or otherwise in respect of the Series Trust. The Manager will also be indemnified for costs in connection with court proceedings against the Manager alleging negligence, fraud or wilful default except where such allegation is found by the court to be correct.

10.4.6 Manager Default and Removal of the Manager

A **Manager Default** occurs in relation to the Series Trust if:

- (a) an Insolvency Event is continuing with respect to the Manager;

- (b) the Manager does not instruct the Trustee to pay the required amounts to the Noteholders within the specified time periods and such failure is not remedied within 3 Business Days of notice from the Trustee;
- (c) the Manager does not prepare and transmit to the Trustee any monthly report required to be prepared and given by it to the Trustee or any other reports it is required to prepare under the Transaction Documents and such failure is not remedied within 3 Business Days of notice from the Trustee (or such longer period agreed to by the Trustee) except when such failure is due in certain circumstances to a Servicer Default;
- (d) the Manager breaches any other obligation under the Master Trust Deed or the Series Supplement and such action has had or, if continued will have, an Adverse Effect (as reasonably determined by the Trustee) and either such breach is not remedied within 20 Business Days of notice from the Trustee, or the Manager has not, within 20 Business Days of such notice, paid compensation to the Trustee for its loss from such breach; and
- (e) a representation or warranty made by the Manager in a Transaction Document proves incorrect in any material respect and, as a result, gives rise to an Adverse Effect (as reasonably determined by the Trustee) and the Manager has not paid compensation for any loss suffered by the Trustee within 60 Business Days of notice from the Trustee.

The Trustee may agree to longer grace periods than those specified in paragraphs (b), (c), (d) and (e).

Whilst a Manager Default is subsisting, the Trustee may by notice to the Servicer, the Manager and the Designated Rating Agencies immediately terminate the appointment of the Manager and appoint another appropriately qualified person to act in its place.

10.4.7 Voluntary retirement of the Manager

The Manager may only voluntarily retire if it gives the Trustee and each Designated Rating Agency 3 months' notice in writing (or such lesser time as the Trustee agrees). Upon such retirement the Manager may appoint in writing any other appropriately qualified person approved by the Trustee as manager of the Series Trust. If the Manager does not propose a replacement at least 1 month prior to its proposed retirement, the Trustee may appoint a replacement.

10.4.8 Trustee to act as Manager

Pending appointment of a new Manager following the retirement or removal of the Manager as described in sections 10.4.6 and 10.4.7, the Trustee will act as Manager. The Trustee is entitled to receive a fee agreed between the Trustee and the Security Trustee (on the instructions of the Voting Secured Creditors by extraordinary resolution under the Master Security Trust Deed) by reference to the then prevailing market rate for such management services, for the period during which the Trustee acts as Manager in relation to a Series Trust. If, however, there is no agreement on the fee payable to the Trustee, the Trustee is not obliged to act as Manager.

In acting as Manager as described above, the Trustee will not be responsible for, and will not be liable for, amongst other things, any inability to perform, or deficiency in performing, its duties and obligations as Manager if the Trustee is unable to or is impaired in performing those duties and obligations due to:

- (a) a breach by the outgoing Manager of its obligations or any fraud, negligence or wilful default on its part;
- (b) the state of affairs of the outgoing Manager or its books and records of the state of any documents or files delivered by it to the Trustee; or

- (c) the Trustee is unable, after using reasonable endeavours, to obtain files, information and other materials from the outgoing Manager which it requires and which are reasonably necessary for it to perform those duties and obligations.

10.4.9 Replacement Manager

The appointment of a replacement Manager will not be effective until:

- (a) the replacement Manager has executed a document under which it assumes the obligations of the Manager under the Master Trust Deed and the other Transaction Documents; and
- (b) the Manager has notified each Designated Rating Agency of the appointment of the replacement.

10.4.10 Limitation on liability of Manager

The Manager is relieved from personal liability in respect of the exercise or non-exercise of its discretions or for any other act or omission on its part, except to the extent that any such liability arises from fraud, negligence or wilful default on the part of the Manager or its officers, employees or agents or any other person whose acts or omissions the Manager is liable for under the Transaction Documents.

10.4.11 Obligation to act as Manager until termination of appointment

The Manager's duties and obligations contained in the Master Trust Deed and the Transaction Documents in relation to the Series Trust continue until the earlier of:

- (a) the Termination Payment Date; and
- (b) the date of the Manager's retirement or removal as Manager in relation to the Series Trust as described in sections 10.4.6 and section 10.4.7.

10.5 The Servicer

10.5.1 Undertakings of Servicer

In addition to its servicing role described in section 6.8, the Servicer also undertakes, among other things, that it will:

- (a) subject to the provisions of any applicable laws including, without limitation, the Privacy Act and any duty of confidentiality owed by the Servicer to its clients under the general law or otherwise, give promptly to the Manager and the Trustee any reports or information and supporting evidence of which the Servicer is aware that they reasonably request with respect to the Series Trust and the Mortgage Loan Rights forming part of the Assets of the Series Trust from time to time;
- (b) other than in accordance with the Master Sale and Servicing Deed, not transfer, assign, exchange or otherwise grant a Security Interest over the whole or any part of its right, title and interest (if any) in and to any Mortgage Loan Right;
- (c) use reasonable endeavours by reference to the Servicing Standards to ensure that a current Insurance Policy is maintained in respect of each relevant mortgaged property;
- (d) comply with the requirements of any relevant laws in carrying out its obligations under the relevant Transaction Documents including, if required, the Consumer Credit Code, where failure to do so would have an Adverse Effect; and

- (e) upon being directed to do so by either the Manager or the Trustee, following the occurrence of a Perfection of Title Event or Servicer Default, promptly take all action which it is directed to take by the Manager and the Trustee to assist the Trustee and the Manager to perfect the Trustee's legal title in the Mortgage Loans and related securities or to assist any substitute Servicer to service the Mortgage Loans under the terms of the Master Sale and Servicing Deed.

10.5.2 Delegation by the Servicer

The Servicer may:

- (a) delegate to any of its officers and employees its duties and obligations as Servicer (whether or not involving the Servicer's judgment or discretion);
- (b) by power of attorney, appoint any person to be attorney or agent for the purposes of carrying out and performing its duties and obligations in relation to the Series Trust; and
- (c) appoint by writing any person to be agent or sub-contractor of the Servicer as the Servicer thinks necessary or proper and with those powers, authorities and discretions (not exceeding those vested in the Servicer) as the Servicer thinks fit,

provided that, in each case, it does not delegate a material part of its powers, duties and obligations without the prior written consent of the Trustee (acting on the instructions of the Manager) and provided the Manager has issued a Rating Notification).

10.5.3 The Servicer's Fees and Expenses

The Servicer is entitled to a fee for servicing the Mortgage Loans for each Collection Period, calculated based upon the actual number of days in the Collection Period divided by 365 and a percentage of the principal outstanding on the Mortgage Loans as at the end of the Collection Period immediately prior to the commencement of the Collection Period.

The Servicer may agree to adjust the Servicing Fee from time to time by agreement with the Trustee and the Manager subject to the issue by the Manager of a Rating Notification in relation to the adjustment.

The Servicer must pay from such fee all expenses incurred in connection with servicing the Mortgage Loans except for expenses in connection with the enforcement of any Mortgage Loan or its related securities, the recovery of any amounts owing under any Mortgage Loan or any amount repaid to a liquidator or trustee in bankruptcy pursuant to any applicable law, binding code, order or decision of any court, tribunal or the like or based on advice from the Servicer's legal advisors.

10.5.4 Servicer Default and Removal of the Servicer

A Servicer Default occurs if:

- (a) the Servicer fails to remit amounts received in respect of the Mortgage Loans to the Trustee within the time periods specified in the Master Sale and Servicing Deed and such failure is not remedied within 3 Business Days of notice from the Manager or the Trustee;
- (b) the Servicer fails to provide to the Manager the information necessary to enable the Manager to prepare its monthly reports on each Determination Date (and such failure will have an adverse rating effect) and, if capable of remedy, is not remedied within 5 Business Days of notice being given to the Servicer by the Manager or the Trustee;

- (c) the Servicer fails to comply with its obligation described in section 6.8.5 to maintain the Threshold Mortgage Rate, when applicable, and such failure is not remedied within 5 Business Days of its occurrence;
- (d) an Insolvency Event occurs with respect to the Servicer; or
- (e) the Servicer has breached its other obligations as Servicer under the Master Sale and Servicing Deed and such action has, or if continued will have, an Adverse Effect (as reasonably determined by the Trustee after it is actually aware of the breach) and either is not remedied so that it no longer has, or will have, an Adverse Effect within 20 Business Days of notice from the Manager or the Trustee, or the Servicer has not within this time paid compensation to the Trustee for its loss from such breach.

The Trustee may agree to longer grace periods than those specified in paragraphs (a), (c) and (e). The Trustee may agree to waive the occurrence of any event which would otherwise constitute a Servicer Default.

While a Servicer Default is subsisting of which the Trustee is actually aware, the Trustee must by written notice to the Servicer, the Manager and each Designated Rating Agency immediately terminate the rights and obligations of the Servicer and appoint another appropriately qualified person as Servicer in its place, subject to compliance with the Transaction Documents for the Series Trust.

10.5.5 Voluntary Retirement of the Servicer

The Servicer may only voluntarily retire if it gives the Trustee, the Manager and each Designated Rating Agency 3 months' notice in writing (or such lesser period as the Servicer, the Manager and the Trustee agree). Upon retirement the Servicer may appoint in writing as its replacement any other corporation approved by Trustee (acting at the Manager's direction). If the Servicer does not propose a replacement by 1 month prior to its proposed retirement, the Trustee may appoint a replacement.

10.5.6 Trustee to act as Servicer

Pending appointment of a new Servicer following the retirement or removal of the Servicer as described in sections 10.5.4 and 10.5.5, the Trustee, in its capacity as trustee of the Series Trust, must use its best endeavours to perform the obligations of the Servicer under the Transaction Documents for the Series Trust but only to the extent that those obligations relate to servicing the Assets of the Series Trust. The Trustee will be entitled to a fee as agreed in a fee letter between it and the Manager for the period during which the Trustee so acts.

In acting as Servicer as described above, the Trustee will not be responsible for, and will not be liable for, amongst other things, any inability to perform, or deficiency in performing, its duties and obligations as Servicer if the Trustee is unable to or is impaired in performing those duties and obligations due to:

- (a) a breach by the outgoing Servicer of its obligations or any fraud, negligence or wilful default on its part;
- (b) the state of affairs of the outgoing Servicer or its books and records of the state of any documents or files delivered by it to the Trustee;
- (c) the Trustee is unable, after using reasonable endeavours, to obtain files, information and other materials from, or use or access the premises or systems of, the outgoing Servicer which it requires and which are reasonably necessary for it to perform those duties and obligations; or
- (d) any action taken or not taken by, or the state of affairs (including the state of the books and/or records) of, any person owing duties in respect of a Series Trust.

10.5.7 Replacement Servicer

The appointment of a replacement Servicer will not be effective until:

- (a) the replacement Servicer has executed a document under which it assumes the obligations of the Servicer under the Master Sale and Servicing Deed and the other Transaction Documents; and
- (b) the Manager has notified each Designated Rating Agency of the proposed replacement Servicer.

10.6 Termination of the Series Trust

10.6.1 Termination Events

The Series Trust terminates on the earliest to occur of:

- (a) the date appointed by the Manager as the date on which the Series Trust terminates (which, if the Notes have been issued by the Trustee, must not be a date earlier than:
 - (i) the date that the Stated Amount of the Notes has been reduced to zero; or
 - (ii) if an Event of Default under the General Security Deed has occurred, the date of the final distribution by the Security Trustee under the Master Security Trust Deed and the General Security Deed);
- (b) the date which is 80 years after its constitution; and
- (c) the date on which the Series Trust terminates under statute or general law, (such date being the **Termination Date**).

10.6.2 Realisation of Assets of the Series Trust

Upon the termination of the Series Trust, the Trustee in consultation with the Manager must sell and realise the Assets of the Series Trust within 100 days of the termination event provided that during this period the Trustee is not entitled to sell the Mortgage Loans and related securities for less than their Fair Market Value.

If the Trustee is unable to sell the Mortgage Loans and related securities for at least their Fair Market Value on the above terms during the 100 day period, the Trustee may sell them after the expiry of that period for a price less than their Fair Market Value. Alternatively, the Trustee may perfect its legal title to the Mortgage Loans and related securities if it is necessary to do so to sell them for a price at least equal to their Fair Market Value. However, in such a sale the Trustee must use reasonable endeavours to include as a condition of the sale that the purchaser of the Mortgage Loans will consent to the Seller obtaining securities subsequent to the securities assigned to the purchaser and will enter into priority agreements such that the purchaser's security has first priority over the Seller's security only for the principal outstanding plus interest, fees and expenses on the relevant Mortgage Loan.

10.6.3 Offer to Seller

On the Termination Date, the Trustee may (at the direction of the Manager) offer to sell the Mortgage Loans and related securities forming part of the Assets of the Series Trust to the Seller for a price equal to the Fair Market Value of those Mortgage Loans. The Seller may not accept an offer to purchase any Mortgage Loan Rights unless the aggregate principal outstanding on the Mortgage Loans is on the last day of the preceding Collection Period, when expressed as a percentage of the aggregate principal outstanding on the Mortgage Loans at the relevant Closing Date, at or below 10%. However, if the Fair Market Value of the Mortgage Loans is insufficient to ensure that the Noteholders will receive the aggregate of the Stated Amounts of

the Notes and Interest payable on the Notes, any offer will be conditional upon an extraordinary resolution of Noteholders approving the offer.

10.6.4 Distributions

After deducting expenses, the Trustee must pay amounts standing to the credit of the Collections Account on the Termination Payment Date in accordance with the order of priority set out in the Master Security Trust Deed and General Security Deed (see section 9.4.4) (and to the extent that there are any funds remaining after such application such amounts are to be applied in accordance with the Series Supplement (see section 7)). If there are insufficient funds to make payments to Noteholders in full, the amount distributed (if any) will be in final redemption of the Notes, the Income Unit and the Capital Units.

10.7 Audit and Accounts

The initial auditor for the Series Trust is expected to be KPMG (the **Auditor**). The Auditor's remuneration is to be paid by the Trustee as a Series Trust Expense of the Series Trust.

The Manager must ensure that the accounts of the Series Trust are audited as at the end of each financial year. Copies of the accounts and the auditor's report will only be provided to the Investors on request but will be available for inspection during business hours at the Trustee's offices. The Manager must prepare and lodge the tax return for the Series Trust and any other statutory returns.

10.8 Amendments to Master Trust Deed, Master Sale and Servicing Deed and Series Supplement

The Trustee and the Manager may amend, add to or revoke a provision of the Master Trust Deed, the Master Sale and Servicing Deed and the Series Supplement if the amendment:

- (a) in the opinion of either the Trustee or the Manager (or a barrister or solicitor instructed by either of them) is necessary or expedient to comply with the provisions of any law, regulation or requirements of any governmental agency;
- (b) in the opinion of the Trustee or the Manager is to correct a manifest error or is of a formal, technical or administrative nature only;
- (c) in the opinion of the Trustee or the Manager is required by, a consequence of, consistent with or appropriate, expedient or desirable for any reason as a consequence of:
 - (i) the introduction of, or any amendment to, any statute, regulation or governmental agency requirement; or
 - (ii) a decision by any court,(including without limitation one relating to the taxation of trusts);
- (d) in the case of the Master Trust Deed or the Master Sale and Servicing Deed, relates only to a trust not yet constituted under its terms;
- (e) will enable the provisions of the Master Trust Deed, the Master Sale and Servicing Deed or the Series Supplement to be more conveniently, advantageously, profitably or economically administered; or
- (f) in the opinion of the Trustee or the Manager is otherwise desirable for any reason.

However, where an amendment referred to in paragraphs (e) and (f) above in the reasonable opinion of the Trustee:

- (a) is likely to be prejudicial to the interests of any class of Unitholders or all Unitholders (as the case may be) the amendment will only be made if an extraordinary resolution approving the amendment is passed by the relevant class of Unitholders or all Unitholders, as applicable, (being a resolution requiring not less than 75% of all votes cast or a written resolution signed by the relevant Unitholders); or
- (b) is likely to be prejudicial to the interests of any class of Noteholders or all Noteholders (as the case may be) the amendment will only be made if an extraordinary resolution approving the amendment is passed by the relevant class of Noteholders or all Noteholders, as applicable, (being a resolution requiring not less than 75% of all votes cast or a written resolution signed by the relevant Noteholders).

An amendment referred to in paragraphs (e) and (f) above is also subject to the Manager issuing a Rating Notification in respect of the amendment.

The Trustee may not amend, add to or revoke any provision of the Master Trust Deed, the Master Sale and Servicing Deed or the Series Supplement if the consent of a party is required under a Transaction Document unless that consent has been obtained.

Notwithstanding the above, the Trustee is obliged to concur in and to effect any modifications to any provisions of a Transaction Document requested by the Manager in certain circumstances, including to:

- (a) accommodate the appointment of a new Servicer, new Hedge Provider, new Seller, new Custodian, new Support Facility Provider or new Manager;
- (b) to take account of changes in the ratings criteria of the Designated Rating Agencies where, absent such modifications, the Manager is reasonably satisfied that the rating assigned by the Designated Rating Agencies to the Notes would be subject to an adverse rating effect (even where such changes are, or may be, prejudicial to Noteholders); and
- (c) to ensure compliance by the Series Trust or a party to the Transaction Documents with, or ensure that the Series Trust or any such party may benefit from, any existing, new or amended legislation, regulation, directive, prudential standard or prudential guidance note of any regulatory body (including APRA) relating to securitisation provided that the Manager has certified to the Trustee that such modifications are required in order to comply with or benefit from such legislation, regulation, directive, prudential standard or prudential guidance note, as the case may be.

However, the Trustee will not be obliged to concur in and effect any modifications to any provision of any Transaction Document in accordance with the foregoing, if to do so would (i) impose additional obligations on the Trustee which are not provided for or contemplated by the Transaction Documents; (ii) adversely affect the Trustee's rights under the Transaction Documents or (iii) result in the Trustee being in breach of any applicable law.

10.9 Meetings of Voting Secured Creditors

10.9.1 Who can convene meetings

The Security Trustee, the Manager or the Trustee may convene a meeting of Voting Secured Creditors in accordance with the meeting provisions described below. These meeting provisions also apply to meetings of Investors, Noteholders, Unitholders, a Class of Noteholders or Unitholders or investors or noteholders of all Series Trusts established under the Master Trust Deed (for the purposes of the meeting provisions described below, including the Voting Secured Creditors, the **Relevant Investors**).

Relevant Investors who hold between them Voting Entitlements comprising an aggregate number of votes which is no less than 10% of the aggregate number of votes comprising the

Voting Entitlements of all Relevant Investors may also request the Security Trustee or Trustee, as applicable, to convene a meeting of the Relevant Investors.

10.9.2 Notice of meetings

At least 7 days' notice must be given to the Relevant Investors of a meeting unless a shorter notice period is agreed at the meeting by a resolution of the Relevant Investors who are a majority in number of Relevant Investors having the right to attend and vote at the meeting and hold or represent 95% of the relevant Voting Entitlements of Relevant Investors. The notice must specify the day, time and place of the proposed meeting, the reason for the meeting and the agenda, the terms of any proposed resolution, that persons appointed to maintain the Register may not register any transfer of a Note or Unit in the period 2 Business Days prior to the meeting, that appointments of proxies must be lodged no later than 24 hours prior to the time fixed for the meeting and such additional information as the person giving the notice thinks fit. The accidental omission to give notice or the non-receipt of notice will not invalidate the proceedings at any meeting.

10.9.3 Quorum

The quorum for a meeting is any 1 or more persons present in person being Relevant Investors or representatives holding in the aggregate not less than 67% of the aggregate number of votes comprised in all Voting Entitlements at that time.

If the required quorum is not present within 15 minutes, the meeting will be adjourned for between 7 and 42 days as specified by the chairman. At any adjourned meeting, 2 or more persons present in person being Relevant Investors holding or representing in the aggregate not less than 50% of the aggregate number of votes comprised in all Voting Entitlements at the relevant time will constitute a quorum. At least 5 days' notice must be given of any meeting adjourned through lack of a quorum.

10.9.4 Voting procedure

Questions submitted to any meeting will be decided in the first instance by show of hands or, if demanded by the chairman, the Trustee, the Manager, the Security Trustee, any note trustee or one or more persons being Relevant Investors holding not less than 2% of the aggregate number of votes comprised in all then Voting Entitlements, by a poll. The chairman has a casting vote both on a show of hands and on a poll.

If a poll is demanded, it must be taken either at once or after such an adjournment as the chairman directs and the result of such poll will be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll must not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Any poll demanded at any meeting on the election of a chairman or on any question of adjournment must be taken at the meeting without adjournment.

10.9.5 Limitations on powers of meetings of Relevant Investors

The powers of a meeting of Relevant Investors are specified in the Transaction Documents and can only be exercised by an extraordinary resolution. There are limitations on the powers of a meeting of Relevant Investors including:

- (a) remove or terminate the appointment of the Trustee or the Manager other than in accordance with the terms of the Transaction Documents;
- (b) interfering with the management of the Series Trust;
- (c) winding-up or terminating the Series Trust;
- (d) disposing of or dealing with the Assets of the Series Trust.

10.9.6 Extraordinary resolution of Relevant Investors binding

An extraordinary resolution of Relevant Investors is binding on all Secured Creditors of the Series Trust or Relevant Investors, as applicable, provided that in the case of an extraordinary resolution of the Voting Secured Creditors under the Master Security Trust Deed:

- (a) any such extraordinary resolution that sanctions a Subordinated Note Basic Term Modification will only be effective if it has also been sanctioned by an extraordinary resolution of the Noteholders of each Class of Notes to which that Subordinated Note Basic Term Modification applies; and
- (b) any such extraordinary resolution which, in the reasonable opinion of the Security Trustee, will be or is likely to become prejudicial to the interests of the Trustee (in its personal capacity), the Security Trustee, the provider of any Support Facility, the Seller or the Servicer, is not binding on such person unless they consent in writing to it.

10.9.7 Written resolutions

A resolution of Relevant Investors may be passed without any meeting or previous notice being required by an instrument in writing signed by all Relevant Investors (as the case may be).

11. Document Custody

11.1 Document Custody

The Seller will hold the Mortgage Documents in relation to Mortgage Loans that from time to time form part of the Assets of the Series Trust as custodian on behalf of the Trustee from and including the Closing Date until a Custodian Transfer Event occurs.

The Seller may appoint any person to be its agent for the purpose of complying with its obligations as custodian with such powers, authorities and discretions as it thinks fit, provided that, except as provided in any Transaction Document in relation to the Series Trust, the Seller must not delegate to such third parties any material part of its powers, duties and obligations as custodian of the Mortgage Documents, unless such delegation is to a Related Body Corporate of the Seller, without the prior written consent of the Trustee (acting on the instructions of the Manager) and provided the Manager has issued a Rating Notification.

The Seller must hold the Mortgage Documents in accordance with its standard safe-keeping practices and in the same manner and to the same extent as it holds its own documents until a Custodian Transfer Event occurs.

11.2 Custodian Transfer Event

A **Custodian Transfer Event** means:

- (a) any failure by the Seller to comply with any of its obligations as custodian under the Master Sale and Servicing Deed where such failure, if capable of remedy, has subsisted for at least 5 Business Days;
- (b) the occurrence of an Insolvency Event in relation to the Seller; or
- (c) a Perfection of Title Event occurs and the Trustee makes a declaration with respect to that Perfection of Title Event as described in section 10.2.10.

If a Custodian Transfer Event occurs, the Trustee must immediately upon becoming aware it deliver a notice to the Seller and on receipt of such notice the Seller must, subject to the following paragraph, transfer custody or arrange for custody to be transferred of all Mortgage Documents held by it to the Trustee as soon as practicable and, in any event, within 10 Business Days.

If following a Custodian Transfer Event:

- (a) the Trustee is satisfied, notwithstanding the occurrence of the Custodian Transfer Event, that the Seller is an appropriate person to act as custodian of the Mortgage Documents; and
- (b) the Manager has issued a Rating Notification in relation to the Seller continuing to act as custodian of the Mortgage Documents,

then the Trustee may by agreement with the Seller appoint the Seller to act as custodian of the Mortgage Documents in accordance with the terms of the Master Sale and Servicing Deed.

11.3 Retirement

The Seller may retire as custodian upon giving to the Manager, the Trustee and each Designated Rating Agency 3 months' notice in writing or such lesser time as the Manager and the Seller agree. The obligations that apply following the occurrence of a Custodian Transfer Event will also apply where the Seller retires as custodian as if a Custodian Transfer Event had occurred for that purpose.

11.4 Custodian Fee

The Seller is entitled to a fee for the provision of custodial services by it to the Trustee. The amount of such fee as agreed with the Manager from time to time (provided the Manager issues a Rating Notification in relation to any fee so agreed). The fee for a Collection Period is payable by the Trustee in arrears on the Distribution Date following the end of the Collection Period subject to the Cashflow Allocation Methodology.

11.5 Trustee's obligations as Custodian

If the Trustee is required to act as Custodian in respect of the Mortgage Documents it undertakes to hold those documents in safe custody and to clearly identify them as belonging to the Series Trust.

With the prior consent of the Manager, the Trustee is at liberty to place the Mortgage Documents and all deeds and other documents relating to them in any safe deposit, safe or other receptacle selected by it, or with any bank or banking company, document storage company, lawyer or firm believed to be of good repute.

12. Taxation Considerations

The following is a summary of the taxation treatment under the Income Tax Assessment Acts of 1936 and 1997 Commonwealth and any relevant regulations, rulings or judicial or administrative pronouncements, at the date of this Information Memorandum, of payments of interest and certain other amounts on the Notes to be issued by the Trustee and certain other matters. It is a general guide only and is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Notes (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of other persons).

The following is a general guide and should be treated with appropriate caution. This summary is not intended to be, nor should it be construed as legal or tax advice to any particular investor. Prospective holders of Notes who are in any doubt as to their tax positions should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

12.1 Income tax treatment of the Noteholders

Persons holding an interest in the Notes (in this section, the **Noteholders**) will derive interest income from their Notes. Under the terms of the Notes the interest income will accrue on a monthly basis. The Noteholders will, if Australian residents or non-residents that hold their interest in the Notes in carrying on business at or through a permanent establishment in Australia, be assessable on this interest income for tax purposes. Whether this interest income will be recognised on a cash receipts or accruals basis for tax purposes will depend upon the tax status of the particular Noteholder.

12.2 Interest on the Notes: interest withholding tax and pay-as-you-go withholding obligations

Non-resident Noteholders, other than persons holding their interest in such Notes as part of a business carried on, at or through a permanent establishment in Australia, are not subject to Australian income tax on payments of interest or amounts in the nature of interest where an exemption for interest withholding tax applies. If no exemption is available, interest withholding tax will be levied at a rate of 10% on interest or amounts in the nature of interest paid on the Notes.

Australian residents who hold an interest in such Notes as part of a business carried on, at or through a permanent establishment in a country outside Australia are subject to interest withholding tax, and may also be subject to Australian income tax, on payments of interest or amounts in the nature of interest.

There are a number of possible exemptions from withholding tax contained in the Tax Acts. Pursuant to section 128F of the Tax Act, an exemption from Australian interest withholding tax applies provided prescribed conditions are met. Where the section 128F exemption applies, the interest income ceases to be subject to Australian interest withholding tax.

These conditions in section 128F are:

- (a) the Trustee is a company (which for section 128F purposes includes a company acting as a trustee of an Australian trust estate, provided that all the beneficiaries are companies) that is a resident of Australia or a non-resident carrying on business through an Australian permanent establishment when it issues the Notes and when interest, as defined in section 128A(1AB) of the Tax Act, is paid; and
- (b) the Notes were issued in a manner which satisfied the public offer test as prescribed under section 128F of the Tax Act.

Each Joint Lead Manager has agreed with the Trustee to offer the Notes to be issued on the Closing Date for subscription or purchase in accordance with certain procedures intended to

result in the public offer test being satisfied and all such Notes having the benefit of the section 128F exemption.

Under present law, the public offer test will not be satisfied if, at the time of issue, the Trustee knew, or had reasonable grounds to suspect, that the Notes, or an interest in the Notes, were being, or would later be, acquired either directly or indirectly by an Offshore Associate of the Trustee (as defined below) or the Seller, PCCU, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Notes, or otherwise in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme.

The section 128F exemption also does not apply to interest paid by the Trustee to an Offshore Associate of the Trustee or PCCU if, at the time of payment of the interest, the Trustee knows, or has reasonable grounds to suspect, that such person is an Offshore Associate, and the Offshore Associate does not receive the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

An **Offshore Associate** means an associate (as defined in section 128F(9) of the Tax Act) of the Trustee or the Seller, PCCU, that is either:

- (a) a non-resident of Australia that does not acquire the Notes or an interest in the Notes in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
- (b) a resident of Australia that acquires the Notes or an interest in the Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

Accordingly, the Notes should not be acquired by any Offshore Associate of the Trustee or the Seller, PCCU (except in the circumstances listed above).

Any Class A-R Notes issued on the Class A-R Refinancing Date would need to be offered in a manner that satisfies the public offer test in section 128F of the Tax Act at the time of the issue of those Notes, if payments of interest on the Class A-R Notes are to have the benefit of the section 128F exemption.

In addition, interest paid to non-resident superannuation funds may be exempt from interest withholding tax where that fund is a superannuation fund for foreign residents and the interest arising from the Notes is exempt from income tax in the country in which the fund is resident.

An amount may be withheld under section 12-140 of Schedule 1 to the Taxation Administration Act (**TA Act**) in respect of any interest payments on the Notes where the payee did not quote its Tax File Number (**TFN**) or Australian Business Number (**ABN**), unless an exception applies. The amount required to be withheld is currently prescribed by regulations to be 47% of the amount of the payment.

12.3 Interest on the Notes: tax Treaties

The Australian government has signed a number of double tax conventions (**Treaties**) with certain countries including the United States of America, the United Kingdom, Norway, Finland, France, Japan, South Africa, New Zealand, Switzerland and Germany (**Specified Countries**). The Treaties may apply to interest derived by a resident of a Specified Country in relation to a Note.

The Treaties effectively prevent the withholding tax applying to interest derived by:

- (a) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- (b) certain unrelated banks and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident

in the Specified Country, and which are dealing wholly independently with the Series Trust,

by reducing the interest withholding tax rate to zero. Under the Treaties, back-to-back loans and economically equivalent arrangements will not obtain the benefit of the reduction in interest withholding tax.

All Treaties listed above are currently in effect. The treatment of each Noteholder under a double tax treaty may differ as between particular countries' treaties and depending on the particular circumstances of each Noteholder. Therefore, each Noteholder will need to consider the specific terms of any applicable double tax treaty.

12.4 Gain or profit on sale of the Notes

Australian resident Noteholders will generally be subject to Australian income tax on the amount of any profit or gain derived from the sale or disposal of the Notes.

Under existing Australian law, non-resident Noteholders will not be subject to Australian income tax on profits derived from the sale or disposal of the Notes provided that:

- (a) the profits do not have an Australian source; or
- (b) the Notes are not held, and the sale and disposal of the Notes does not occur, as part of a business carried on, at or through a permanent establishment in Australia.

The source of any profit on the disposal of the Notes will depend on the factual circumstances of the actual disposal. In general, provided the interest in the Notes is held outside Australia, in connection with a business conducted exclusively outside Australia and is disposed of directly to a non-resident which does not have a business carried on, at or through a permanent establishment in Australia, or to such a non-resident through a non-resident agent, the gain should not have a source in Australia.

Where the interest in the Notes is held, and the disposal occurs as part of a business carried on by the non-resident Noteholder at or through a permanent establishment in Australia, the profits derived from the sale or disposal may be deemed to have an Australian source. Such deeming will depend upon the country in which the non-resident Noteholder is located and any applicable double tax treaty between Australian and that country. As stated above, the treatment of each Noteholder under a double tax treaty may differ as between particular countries' treaties and depending on the particular circumstances of each Noteholder. Therefore, Noteholders who are potentially affected should seek advice specific to their circumstances.

12.5 Consolidation

In general terms, a consolidated or consolidatable group (for income tax purposes) consists of a head company and all companies or trusts that are wholly-owned Australian subsidiaries of the head company. If 100% of the units in a trust are owned by PCCU, that trust may be consolidated as part of the PCCU group.

As 1 Capital Unit in the Series Trust will be held by an entity which is unrelated to PCCU, the Series Trust will not be able to be consolidated as part of PCCU group.

12.6 Goods and Services Tax

A goods and services tax (**GST**) is payable by all entities which make taxable supplies in Australia. The GST Legislation adopts a broad meaning of "entity", including within that term legal constructs such as partnerships and trusts. Therefore, for GST purposes, the Series Trust will be treated as a separate entity, making supplies and acquisitions. A reference to the Trustee in this section 12.6 is a reference to the Trustee in its capacity as trustee of the Series Trust. A reference to Australia in this section 12.6 includes the "indirect tax zone" as defined in the GST Act.

If an entity, such as the Series Trust, makes any taxable supply it will have to pay GST equal to 1/11th of the total consideration provided in connection with that supply. However, a supply will only be taxable to the extent that it is not "GST-free" or "input taxed". Based on the current GST Legislation and regulations, it is expected that the Series Trust would not make taxable supplies. In particular, it is expected that supplies made by the Series Trust, including:

- (a) the issuance of the Notes;
- (b) the payment of interest on the Notes; and
- (c) the repayment of any principal on the Notes,

would generally be input taxed (although certain supplies to non-residents outside of Australia could be GST-free rather than input taxed).

If a supply by the Trustee is:

- (a) "GST-free," the Trustee does not have to remit GST on the supply and can obtain input tax credits for the GST included in the consideration provided for acquisitions to the extent they relate to the making of this supply; or
- (b) "input taxed", which includes "financial supplies" as defined by section 40-5.09 of the A New Tax System (Goods and Services Tax) Regulations (Cth) 2019 (**GST Regulations**), the Trustee does not have to remit GST on the supply, but may not be able to claim input tax credits for any GST included in the consideration provided for acquisitions to the extent they relate to the making of this supply, unless one of the relevant exceptions applies, such as acquisitions that are eligible for reduced input tax credits.

Some of the services that the Series Trust would acquire are expected to be taxable supplies for GST purposes. Where this is the case, it will generally be the service provider who is liable to pay GST in respect of that supply, although in certain circumstances, the Trustee may become liable to remit GST in respect of certain offshore services. Whether a service provider is able to recoup an additional amount from the Series Trust on account of the service provider's GST liability, will depend on the terms of the contract with the service provider.

If amounts payable by the Series Trust are treated as the consideration for a taxable supply under the GST Legislation and they are increased by reference to the relevant supplier's GST liability, the Series Trust may be restricted in its ability to claim an input tax credit for that increase. Where this is the case, the expenses of the Series Trust could increase, resulting in a decrease in the funds available to the Series Trust to pay Noteholders.

There are however, three important circumstances in which the Series Trust may be entitled to input tax credits for acquisitions related to the making of input taxed supplies.

First, a "reduced input tax credit" may be claimed for "reduced credit acquisitions" for some of the supplies made to the Series Trust by service providers, where the acquisition relates to the making of financial supplies by the Series Trust. Where available, the amount of the reduced input tax credit is generally 75% of the GST which is payable by the service provider on the taxable supplies made to the Trustee. The GST Regulations provide a lower reduced input tax credit recovery rate of 55% for acquisitions of certain services by a "recognised trust scheme" from 1 July 2012. However, those provisions should not apply to acquisitions made by the Series Trust. The availability of reduced input tax credits will reduce the extent to which the expenses of the Series Trust will increase because of GST.

Secondly, an entity will not be precluded from claiming an input tax credit for an acquisition to the extent the acquisition relates to the making of financial supplies and the entity making the acquisition does not exceed the "financial acquisitions threshold".

Thirdly, an entity could be entitled to input tax credits for acquisitions relating to a financial supply that consists of a borrowing, provided that the borrowing relates to supplies that are not input taxed.

The acquisitions made by the Series Trust from the Trustee (in its personal capacity), the Manager and the Servicer are expected to be acquisitions of taxable supplies (where the Manager and the Servicer are not members of a GST group with the Series Trust) and, as such, the fees paid by the Series Trust for these supplies may include amounts on account of GST. However, the Series Trust's acquisitions of services from the Manager and the Trustee are also expected to be reduced credit acquisitions. As such, the Series Trust may be entitled to a reduced input tax credit in respect of the acquisition of those services.

An election could be made for the Series Trust to become a member of a GST group with PCCU and other members of the PCCU corporate group (**PCCU GST Group**). Where the Series Trust is a member of the PCCU GST Group, the representative member of that GST group will be responsible for the GST and other indirect tax obligations of the Series Trust - including payment of any GST liabilities and claiming any input tax credits for acquisitions made by the Series Trust (as outlined above). In addition, where the Manager and the Servicer are members of the same GST Group along with the Series Trust, supplies made by the Manager and the Servicer will not be treated as taxable supplies.

The Australian tax legislation provides that each member of a GST group is jointly and severally liable for any indirect tax liability payable by the representative member. However, where members of a GST group have entered into a valid and effective indirect tax sharing agreement (**ITSA**), the liability for each member is limited to a "contributing amount" which represents a reasonable allocation of the indirect tax liability. Under the terms of the Master Trust Deed, if the Series Trust becomes a member of a GST group, the Manager must procure that the representative member of the GST group ensures that the indirect tax liabilities of the group members are covered by a valid indirect tax sharing agreement that allocates those liabilities on a reasonable basis on terms acceptable to the Trustee (a nil allocation will be acceptable provided it is reasonable).

The GST may increase the cost of repairing or replacing damaged properties offered as security for Mortgage Loans. However, PCCU has a right under its loan contract and mortgage documentation to require a borrower to maintain property insurance during the loan term.

The GST Legislation, in certain circumstances, could treat the Series Trust as making a taxable supply if the Trustee enforces a security by selling the mortgaged property and applying the proceeds of sale to satisfy the Mortgage Loan. In such case, the Trustee (or PCCU where the Series Trust is a member of the PCCU GST Group) would have to account for GST out of the sale proceeds, with the result that the remaining sale proceeds may be insufficient to cover the unpaid balance of the related loan.

12.7 Stamp Duty

The Manager has received advice that neither the issue, the transfer nor the redemption of the Notes will currently attract stamp duty in any jurisdiction of Australia.

13. Selling Restrictions

13.1 General

The Joint Lead Managers will enter into the Dealer Agreement and may, upon the terms and subject to the conditions contained in the Dealer Agreement, effect the placement of the relevant Notes with investors.

No action has been or will be taken by the Trustee, the Manager or any Joint Lead Manager that would permit a public offering of the Notes or distribution of this Information Memorandum or any other public offering or publicity material relating to the Notes in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Information Memorandum nor any circular, prospectus, form of application, advertisement or other material, may be distributed in or form or published in any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws or regulations.

Should any investor purchase the Notes or any of them, each investor will be deemed to have represented that:

- (a) it has made its own independent decision to purchase such Notes and has not relied on any recommendation or advice from any of the Manager or Joint Lead Managers; and
- (b) it already has all required information and understands all the terms, conditions and restrictions of such Notes.

13.2 Australia

No prospectus or other disclosure document (as defined in the Australian Corporations Act) has been or will be lodged with the Australian Securities and Investments Commission (**ASIC**). Each Joint Lead Manager has represented and agreed that it:

- (a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any information memorandum, advertisement or other offering material relating to the Notes in Australia,

unless:

- (c) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Australian Corporations Act;
- (d) such action complies with all applicable laws, regulations and directives in Australia;
- (e) the offer or invitation does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act; and
- (f) such action does not require any document to be lodged with ASIC.

13.3 United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (**FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Trustee; and
- (b) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

13.4 European Economic Area

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

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

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

The target market assessment in respect of the Notes by the distributor, solely for the purpose of its product governance determination under Article 10(1) of Delegated Directive (EU) 2017/593, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor subject to MiFID II subsequently offering, selling or recommending the Notes is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the distributor's target market assessment) and determining appropriate distribution channels.

13.5 Singapore

Each Joint Lead Manager has acknowledged that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**). Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with

the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor as defined in section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the **SFA**) pursuant to section 274 of the SFA, (ii) to a relevant person (as defined in section 275(2) of the SFA) pursuant to section 275(1) of the SFA, or any person pursuant to section 275(1) of the SFA, or any person pursuant to section 275(1A) of the SFA, and in accordance with the conditions specified in section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under section 275 of the SFA except:

- (c) to an institutional investor or to a relevant person defined in section 275(2) of the SFA, or to any person pursuant to an offer referred to in section 275(1A) or section 276(4)(i)(B) of the SFA;
- (d) where no consideration is or will be given for the transfer;
- (e) where the transfer is by operation of law; or
- (f) pursuant to section 276(7) of the SFA.

Notification under Section 309B(1)(c) of the SFA

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the **CMP Regulations 2018**), all Notes shall be "capital markets products other than prescribed capital markets products" (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). This constitutes a notification to all relevant persons (as defined in Section 309A(1) of the SFA).

13.6 New Zealand

No action has been taken to permit the Notes to be directly or indirectly offered or sold to any retail investor, or otherwise under any regulated offer, in terms of the Financial Markets Conduct Act 2013 of New Zealand (the **NZ FMCA**). In particular, no product disclosure statement under the NZ FMCA has been or will be prepared or lodged in New Zealand in relation to the Notes.

Accordingly, each Joint Lead Manager has represented and agreed that it has not directly or indirectly offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Notes in New Zealand and it will not distribute any offering memorandum or advertisement (as defined in the NZ FMCA) in relation to any offer of Notes, in New Zealand other than:

- (a) to "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the NZ FMCA, being a person who is:

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

in each case as defined in Schedule 1 to the NZ FMCA; or

- (b) in other circumstances where there is no contravention of the NZ FMCA, provided that (without limiting paragraph (a) above) the Notes may not be directly or indirectly offered, sold, or delivered to, among others, any “eligible investors” (as defined in clause 41 of Schedule 1 to the NZ FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the NZ FMCA, meets the investment activity criteria specified in clause 38 of that Schedule.

In addition, no person may distribute any offering material or advertisement (as defined in the NZ FMCA) in relation to any offer of Notes in New Zealand other than to such permitted persons as referred to in the paragraph above.

13.7 United States

Each Joint Lead Manager has acknowledged that the Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

Without limiting the paragraph above, each Joint Lead Manager has represented and agreed that it has not offered and sold and will not offer and sell Notes in the United States or to, or for the account or benefit of, U.S. persons:

- (a) as part of their distribution at any time; or
- (b) otherwise until 40 days after the completion of the distribution of the Notes (as determined and notified to the Joint Lead Managers by the Trustee following notification by each Joint Lead Manager to the Trustee of completion of distribution of the Notes purchased by or through the Joint Lead Managers) (the **Restricted Period**),

except in accordance with Rule 903 of Regulation S under the Securities Act. Each Joint Lead Manager has represented and agreed that neither such Joint Lead Manager, its affiliates (if any) nor any person acting on behalf of the Joint Lead Manager or its affiliates has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902 of the Securities Act) with respect to the Notes, and each Joint Lead Manager, its affiliates (if any) and any person acting on behalf of the Joint Lead Manager or its affiliates has complied and will comply with the offering restrictions requirements of Regulation S.

Each Joint Lead Manager has agreed that, at or prior to confirmation of sale of Notes, it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from the Joint Lead Manager or through the Joint Lead Manager during the Restricted Period a confirmation or notice to substantially the following effect:

“The Notes covered hereby have not been registered under the United States Securities Act of 1933 as amended (Securities Act) and may not be offered and sold within the United States or to, or for the account or benefit of, US persons:

- i. as part of their distribution at any time: or
- ii. otherwise until 40 days after the completion and distribution of the Notes, as determined and certified by the Joint Lead Managers, except in either case in accordance with

Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

13.8 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the **Financial Instruments and Exchange Act**) and, accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the account or benefit of, any Japanese Person, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any Japanese Person, except pursuant to an exemption from the registration requirements of and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ordinances promulgated by the relevant Japanese government and regulatory authorities and in effect at the relevant time.

For the purposes of this paragraph, **Japanese Person** means any person resident in Japan or a juridical person having its main office in Japan as defined in Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade law of Japan (Law No. 228 of 1949), including any corporation having its principal office in or other entity organised under the laws of Japan. Any branch or office in Japan of a non-resident will be deemed to be a resident for the purpose whether such branch or office has the power to represent such non-resident.

14. Transaction Documents available for inspection

Copies of the following documents will be made available to Noteholders and bona fide prospective Noteholders by the Manager on request. However, any person wishing to inspect these documents must first enter into an agreement with the Manager, in a form acceptable to it, not to disclose the contents of these documents without its prior written consent:

Master Trust Deed	A Master Trust Deed dated 1 July 2019 between Australian Central Services Pty Ltd and Perpetual Corporate Trust Limited (as amended from time to time).
Master Security Trust Deed	A Master Security Trust Deed dated 30 July 2019 between P.T. Limited, Perpetual Corporate Trust Limited and Australian Central Services Pty Ltd.
Master Sale and Servicing Deed	A Master Sale and Servicing Deed dated 30 July 2019 between Australian Central Services Pty Ltd, Perpetual Corporate Trust Limited and Australian Central Credit Union Ltd.
Sale Deed	A Sale Deed dated 30 July between Australian Central Services Pty Ltd, Perpetual Corporate Trust Limited and Australian Central Credit Union Ltd.
Trust Creation Deed	A Trust Creation Deed dated 1 July 2019 executed by Perpetual Corporate Trust Limited.
General Security Deed	A General Security Deed dated 30 July 2019 between P.T. Limited, Perpetual Corporate Trust Limited as trustee of the Series Trust and Australian Central Services Pty Ltd.
Series Supplement	A Series Supplement dated 30 July 2019 between Australian Central Services Pty Ltd, Perpetual Corporate Trust Limited as trustee of the Series Trust and Australian Central Credit Union Ltd.
Liquidity Facility Agreement	A Liquidity Facility Agreement dated 30 July 2019 between Australian Central Services Pty Ltd, Perpetual Corporate Trust Limited as trustee of the Series Trust and National Australia Bank Limited.
Redraw Facility Agreement	A Redraw Facility Agreement dated 30 July 2019 between Australian Central Credit Union Ltd, Perpetual Corporate Trust Limited as trustee of the Series Trust and Australian Central Services Pty Ltd.
Basis Swap Agreement	An ISDA Master Agreement dated 30 July 2019 between Australian Central Credit Union Ltd, Perpetual Corporate Trust Limited as trustee of the Series Trust and Australian Central Services Pty Ltd.
Fixed Swap Agreement	An ISDA Master Agreement dated 30 July 2019 between Australian Central Credit Union Ltd, Perpetual Corporate Trust Limited as trustee of the Series Trust, Australian Central Services Pty Ltd and National Australia Bank Limited.

15. Glossary of Terms

Accrued Interest Adjustment	This is described in sections 2.5 and 7.4.6.
Acquiring Trust	This is described in section 10.1.3.
ADI	Has the same meaning as given in section 5 of the Banking Act.
Adjustment Advance	In relation to the Mortgage Loans means an amount, as determined by the Manager, not exceeding an amount equal to the accrued and unpaid interest in respect of the Mortgage Loans less any accrued and unpaid costs and expenses in respect of the Mortgage Loans during the period up to (but not including) the Closing Date.
Adverse Effect	Any event which materially and adversely affects the amount of any payment due to be made to any Noteholder of any Notes then rated by a Designated Rating Agency or materially and adversely affects the timing of such a payment.
Adverse Payment Effect	An event which materially and adversely affects the amount or timing of any payment of the Senior Obligations.
ANZ	Australia and New Zealand Banking Group Limited ABN 11 005 357 522.
Applied Liquidity Amount	This is described in section 9.2.4 in relation to the Liquidity Facility.
Approved Mortgage Insurer	This is described in section 8.
Arrears Days	In relation to a Mortgage Loan, means the number of days that the principal amount outstanding of the Mortgage Loan at a particular time has exceeded the Scheduled Balance of that Mortgage Loan.
ASIC	The Australian Securities and Investments Commission.
Assets of the Series Trust	All assets and property, real and personal (including choses in action and other rights), tangible and intangible, present or future, held by the Trustee as trustee of the Series Trust from time to time.
Assigned Assets	<p>In relation to a Transfer Proposal and a Disposing Trust or the Warehouse Trust, as applicable, the Trustee's entire right, title and interest (including the beneficial interest of each Unitholder in relation to the Disposing Trust or the Warehouse Trust, as applicable) as trustee of the Disposing Trust in:</p> <ul style="list-style-type: none">(a) the assets of the Disposing Trust or the Warehouse Trust, as applicable, insofar as they relate to the Mortgage Loans referred to in that Transfer Proposal; and(b) unless otherwise specified in that Transfer Proposal, the benefit of all undertakings, representations and warranties given to the Trustee by the Seller, the

Servicer or any other person in relation to those assets.

Auditor

This is described in section 10.7.

Australian Central Services

Australian Central Services Pty Ltd ACN 007 968 041.

Authorised Short-Term Investments

These are:

- (a) bonds, debentures, stock or treasury bills issued by or notes or other securities issued by the Commonwealth of Australia or the government of any State or Territory of the Commonwealth of Australia;
- (b) deposits with, or certificates of deposit issued by, an ADI;
- (c) bills of exchange, which at the time of acquisition have a maturity date of not more than 200 days and which have been accepted, drawn on or endorsed by an ADI and provide a right of recourse against that ADI by a holder in due course who purchases them for value; or
- (d) debentures or stock of any public statutory body constituted under the laws of the Commonwealth of Australia or any State of the Commonwealth where the repayment of the principal secured and the interest payable on that principal is guaranteed by the Commonwealth or the State,

in each case held in the name of the Trustee or its nominee and denominated in Australian Dollars, except that Authorised Short-Term Investments must not be a securitisation exposure or a resecuritisation exposure (as defined in Prudential Standard APS 120 dated January 2018 and issued by the Australian Prudential Regulation Authority or any replacement or amended version of that standard).

Average 60 Day Arrears Percentage

In relation to a Determination Date, a percentage calculated as follows:

$$ADA = \frac{X}{Y}$$

where:

ADA = the Average 60 Day Arrears Percentage for that Determination Date;

X = the sum of the Collection Period Arrears for that Determination Date and the preceding 2 Determination Dates (or, if less than 2 preceding Determination Dates have occurred, the number of previous Determination Dates); and

Y = 3 (or, if fewer than 2 Determination Dates have occurred prior to the relevant Determination

Date, 1 plus the number of preceding Determination Dates).

Basis Swap	This is described in section 9.1.2.
Basis Swap Agreement	This is described in section 14.
BBSW	<p>In relation to an Interest Period means the rate expressed as a percentage per annum designated "AVG MID" appearing at approximately 10.30 a.m. Sydney time on the Thomson Reuters Screen BBSW Page on the first day of that Interest Period for bank bills and certificates of deposit with a tenor of 1 month (or, in the case of the first Interest Period, if it is longer than 1 month, the rate determined by linear interpolation between the rate published for bank bills and certificates of deposit having a tenor of 1 month and bank bills and certificates of deposit having a tenor of 2 months).</p> <p>If on that date the relevant rate is not published on the Thomson Reuters Screen BBSW Page in accordance with the foregoing, then the rate for that date will be determined by the Manager (or specified by the Liquidity Facility Provider in the case of the Liquidity Facility) in good faith and in a commercially reasonable manner having regard to the extent it determines it to be appropriate to any relevant information then available including without limitation any internally or externally sourced relevant market data such as but not limited to alternative benchmarks, relevant rates, prices, yields, yield curves, volatilities, spreads and correlations. The rate so calculated by the Manager or the Liquidity Facility Provider as the case may be will be expressed as a percentage per annum and rounded, if necessary, to the next higher one ten thousandth of a percentage point.</p>
Business Day	Any day, other than Saturday, Sunday or a public holiday in New South Wales, South Australia or Victoria on which ADIs are open for general banking business in Sydney, Adelaide or Melbourne; and, if a payment is to be made through the Austraclear System and/or any other clearing system, a day on which Austraclear and/or such other clearing system is open for business.
Calculation Period	Calculation Period as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.).
Call Option	The Trustee's option to redeem all the Notes as described in section 4.3.4.
Capital Units	These are described in section 10.1.1.
Capital Unitholder	The Unitholder of a Capital Unit.
Cash Rate	At any time, the target official cash rate last announced by the Reserve Bank of Australia.
Cashflow Allocation Methodology	This is described in section 7.1.

Charge-Offs	These are described in section 7.7.
Class A Note	These are described in sections 2, 3 and 4.
Class A Noteholder	The registered holder of a Class A Note, including persons jointly registered.
Class A Refinancing Date	The Distribution Date in August 2024.
Class A Subordination Percentage	On the Closing Date and any Determination Date the aggregate Invested Amounts of the Class AB Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes as at that date expressed as a percentage of the aggregate Invested Amounts of all the Notes as at that date.
Class A-R Issue Date	The Distribution Date on which the Class A-R Notes are issued as described in section 4.15.
Class A-R Note	These are described in sections 2 and 4.
Class A-R Noteholder	The registered holder of a Class A-R Note, including persons jointly registered.
Class AB Note	These are described in sections 2, 3 and 4.
Class AB Noteholder	The registered holder of a Class AB Note, including persons jointly registered.
Class B Note	These are described in sections 2, 3 and 4.
Class B Noteholder	The registered holder of a Class B Note, including persons jointly registered.
Class C Note	These are described in sections 2, 3 and 4.
Class C Noteholder	The registered holder of a Class C Note, including persons jointly registered.
Class D Note	These are described in sections 2, 3 and 4.
Class D Noteholder	The registered holder of a Class D Note, including persons jointly registered.
Class E Note	These are described in sections 2, 3 and 4.
Class E Noteholder	The registered holder of a Class E Note, including persons jointly registered.
Clean-Up Offer	The irrevocable offer by the Trustee to extinguish in favour of the Seller its entire right, title and interest in the Mortgage Loans in return for the payment by the Seller of the Clean-Up Settlement Price. The circumstances in which this offer is made are described in section 10.2.9.
Clean-Up Settlement Price	The amount determined by the Manager to be aggregate of the Fair Market Value of each Mortgage Loan as at the last day of the Collection Period ending before the date on which the Clean-Up Settlement Price is to be paid.

Clearstream, Luxembourg	Clearstream Banking, S.A. or its successor.
Closing Date	Subject to the satisfaction of certain conditions precedent, 2 August 2019 or such other date as agreed to in writing between the Seller and the Manager (and notified to the Trustee).
Collateral	All Assets of the Series Trust held by the Trustee from time to time including the benefit of all covenants, agreements, undertakings, representations, warranties and other choses in action in favour of the Trustee under the Transaction Documents.
Collection Period	The first Collection Period commences on (and includes) the Cut-Off Date and ends on (and includes) the last day of the calendar month ending immediately prior to the first Distribution Date. Each subsequent Collection Period commences on (and includes) the first day after the last day of the previous Collection Period and ends on (and includes) the last day of the calendar month after the calendar month in which the previous Collection Period ended. The final Collection Period is the Collection Period ending on (but excluding) the Termination Payment Date.
Collection Period Arrears	In relation to a Determination Date, the aggregate principal amount outstanding of all Mortgage Loans which are Assets of the Series Trust with Arrears Days of 60 or greater as at the last day of the preceding Collection Period divided by the aggregate principal amount outstanding of all Mortgage Loans which are then Assets of the Series Trust at that time, expressed as a percentage.
Collections	This is described in section 7.3.1.
Collections Account	This is described in section 2.6.
Consumer Credit Code	The Consumer Credit Code means each of: <ul style="list-style-type: none"> (a) the UCCC; and (b) the National Credit Code.
Consumer Credit Legislation	The Consumer Credit Code, the National Consumer Protection Act 2009 (Cth), the National Consumer Credit Protection (Fees) Act 2009 (Cth), the National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 (Cth), as applicable, and any associated legislation or regulations of any Australian jurisdiction as amended from time to time.
Conversion	This is described in section 9.1.7.
Custodian	The Seller or any other person appointed as custodian of the Mortgage Documents pursuant to the Transaction Documents.
Custodian Fee	This is described in section 11.4.
Custodian Transfer Event	This is described in section 11.2.

Cut-Off Date	17 June 2019.
Dealer Agreement	<p>In relation to:</p> <p>(a) the Notes (other than the Class A-R Notes), the Dealer Agreement dated 31 July 2019 between the Trustee, the Manager, PCCU, the Arranger and the Joint Lead Managers: and</p> <p>(b) the Class A-R Notes, the Dealer Agreement (if any) made or to be made between, amongst others, the Trustee and the Manager and which is expressed to be a Dealer Agreement in respect of the Class A-R Notes.</p>
Defaulted Amount	In relation to a Collection Period means the aggregate of the principal amount of any Mortgage Loans which have been written off by the Servicer as uncollectible during that Collection Period in accordance with the Servicing Standards.
Designated Credit Rating	<p>The following credit ratings:</p> <p>(a) in relation to S&P:</p> <p style="padding-left: 40px;">(i) a short term credit rating of no lower than A-2, together with a long term credit rating of no lower than BBB by S&P;</p> <p style="padding-left: 40px;">(ii) a long term credit rating of no lower than BBB+ by S&P (if the relevant entity does not have a short term credit rating from S&P); and</p> <p style="padding-left: 40px;">(iii) a short term credit rating of no lower than A-2 by S&P (if the relevant entity does not have a long term rating from S&P); and</p> <p>(b) in relation to Fitch Ratings a short term credit rating of no lower than F1 or a long term credit rating of no lower than A by Fitch Ratings,</p> <p>or such other credit ratings as may be agreed in writing between the Manager and the Liquidity Facility Provider, and in respect of which the Manager has issued a Rating Notification.</p>
Designated Rating Agencies	S&P and Fitch Ratings.
Determination Date	The date which is 2 Business Days before each Distribution Date.
Disposing Trust	These are described in sections 10.1.3 and 10.1.4 (as applicable).
Distribution Date	Means the 21st day of each month (or if such a day is not a Business Day, the next Business Day). The first Distribution Date will be 23 September 2019 (or if such a day is not a Business Day, the next Business Day) or such other date notified by the Manager to the Trustee and each

	Designated Rating Agency prior to the Closing Date.
Eligibility Criteria	These are described in section 6.3.
Eligible Depository	This means a financial institution which has assigned to it a short term credit rating equal to or higher than A-2 in the case of S&P and, in the case of Fitch Ratings, a short term credit rating equal to or higher than F1 or a long term credit rating equal to or higher than A.
EU	The European Union.
Euroclear	Euroclear S.A./N.V. or its successor.
Event of Default	These are described in section 9.4.2.
Excess Investor Revenues	This is described in section 2.6.
Excess Revenue Reserve	This is described in section 2.6 and 7.6.2.
Excess Revenue Reserve Draw Total Expenses	In relation to a Determination Date, an amount equal to the lesser of the Liquidity Shortfall First as at that Determination Date and the balance of the Excess Revenue Reserve as at that Determination Date.
Excess Revenue Reserve Draw Defaulted Amount	In relation to a Determination Date, an amount equal to the lesser of: <ul style="list-style-type: none"> (a) the balance of the Excess Revenue Reserve as at that Determination Date less the Excess Revenue Reserve Draw Total Expenses for that Determination Date, if positive; and (b) the amount (if positive) by which: <ul style="list-style-type: none"> (i) the amounts to be applied from Total Investor Revenues as described in sections 7.4.7(k), 7.4.7(l) and 7.4.7(m) on the following Distribution Date; is less than (ii) the Unreimbursed Principal Draw, the Defaulted Amount and the unreimbursed Charge-Offs in respect of all prior Distribution Dates (respectively).
Excess Revenue Reserve Target Balance	This is described in section 2.6.
Excess Revenue Reserve Trapping Conditions	Will be satisfied on a Determination Date on which any of the following is subsisting: <ul style="list-style-type: none"> (a) the Average 60 Day Arrears Percentage on that Determination Date is greater than 4%; (b) a Servicer Default; or (c) the Stated Amount of the Class E Notes is less than the Invested Amount of the Class E Notes on that Determination Date.

Extraordinary Expenses	These is described in section 7.6.1.
Extraordinary Expense Reserve	This is described in section 2.6 and section 7.6.1.
Fair Market Value	In respect of a Mortgage Loan, means the fair market price for the purchase of that Mortgage Loan agreed between the Trustee (acting on expert advice if necessary) and the Seller (or, in the absence of agreement, determined by the Seller's external auditors) and which price reflects the performance status, underlying nature and franchise value of the Mortgage Loan. If the offered price is at least equal to the principal outstanding plus accrued interest for a Mortgage Loan, the Trustee is entitled to assume that this price is the Fair Market Value.
FATCA	This refers to: <ul style="list-style-type: none"> (a) Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (the Code) (or any consolidation, amendment, re-enactment or replacement of those sections and including any current or future regulations or official interpretations issued, agreements entered into pursuant to section 1471(b) of the Code or non-US laws enacted or regulations or practices adopted pursuant to any intergovernmental agreement in connection with the implementation of those sections; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the United States government or any governmental or taxation authority in any jurisdiction.
FATCA Withholding Tax	Any withholding or deduction required pursuant to FATCA.
Finance Charge Collections	These are described in section 7.3.2.
Fixed Rate Conversion Cap	This is described in section 9.1.7.
Fitch Ratings	Fitch Australia Pty Ltd ABN 93 081 339 184.
Fixed Rate Swap	This is described in section 9.1.3.
Fixed Rate Swap Provider	At any time, the Hedge Provider which is "Party A" under the Fixed Rate Swap at that time.
Fixed Swap Agreement	This is described in section 14.
Further Advance	This is described in section 10.2.7.
General Security Deed	This is described in section 14.

GST	Any goods and services tax, broad based consumption tax or value added tax imposed by any Governmental Agency and includes any goods and services tax payable under the GST Act and related legislation.
GST Act	The A New Tax System (Goods and Services Tax) Act 1999 (Cth).
GST Legislation	The "GST law" as defined in the GST Act.
Hedge Agreement	The Basis Swap Agreement and the Fixed Swap Agreement and any other similar arrangement entered into by the Trustee, or any agreement to which the Trustee and the Manager are a party where such agreement is in substitution (in whole or in part) for the Basis Swap Agreement or the Fixed Swap Agreement, as applicable.
Hedge Provider	Any entity described in section 9.1.1 as a Hedge Provider and includes any other party to a Hedge Agreement other than the Trustee and the Manager.
Hedge Provider Default Event	This is: <ul style="list-style-type: none"> (a) an Event of Default where the Hedge Provider is the Defaulting Party (as those terms are defined in the relevant Hedge Agreement); or (b) a Termination Event where the Hedge Provider is the sole Affected Party other than a Termination Event following an Illegality, Force Majeure Event or a Tax Event (as those terms are defined in the relevant Hedge Agreement).
Income Unit	This is described in section 10.1.1.
Income Unitholder	The holder of the Income Unit.
Initial Invested Amount	In relation to: <ul style="list-style-type: none"> (a) a Note means \$10,000; and (b) a class of Notes means the aggregate initial principal amount of all Notes in that class of Notes upon the issue of those Notes.
Interest	This is described in section 4.2.
Interest Rate	This is described in section 4.2.3.
Insolvency Event	In relation to a body corporate, the happening of any of the following events: <ul style="list-style-type: none"> (a) an order is made that the body corporate be wound up; (b) a liquidator, provisional liquidator, controller (as defined in the Corporations Act) or administrator is appointed in respect of the body corporate or a substantial portion of its assets whether or not under an order;

- (c) except to reconstruct or amalgamate on terms reasonably approved by the Trustee (or in the case of a reconstruction or amalgamation by the Trustee, reasonably approved by the Manager), the body corporate enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of its creditors;
- (d) the body corporate resolves to wind itself up, or otherwise dissolve itself, or gives notice of intention to do so, except to reconstruct or amalgamate on terms reasonably approved by the Trustee (or in the case of a reconstruction or amalgamation of the Trustee, except on terms reasonably approved by the Manager) by the Manager or is otherwise wound up or dissolved;
- (e) the body corporate is or states that it is insolvent;
- (f) as a result of the operation of section 459F(1) of the Corporations Act, the body corporate is taken to have failed to comply with a statutory demand;
- (g) the body corporate takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation;
- (h) any writ of execution, attachment, distress or similar process is made, levied or issued against or in relation to a substantial portion of the body corporate's assets and is not satisfied or withdrawn or contested in good faith by the body corporate within 21 days; or
- (i) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction.

Insurance Policy

Any insurance policy (whether present or future), other than a Mortgage Insurance Policy, in which the Seller has an interest and which is in force from time to time in respect of the land the subject of a Mortgage or another security interest which forms part of the assets of a Series Trust.

Interest Offset Account

This is described in section 6.4.3.

Interest Offset Reserve

This is described in section 6.4.3.

Interest Period

This is described in section 4.2.2.

Invested Amount

In relation to a Note, means the initial face value of that Note less the aggregate amounts of payments previously made on account of principal in relation to that Note.

Investor Revenues

This has the meaning given to it in section 7.4.1.

Investors

The Noteholders and Unitholders of the Series Trust or, where relevant, the noteholders and beneficiaries of the other trusts constituted under the Master Trust Deed.

Joint Lead Managers	NAB, ANZ, Macquarie and Westpac.
Linked Account	Any Interest Offset Account or other deposit account with the Seller, the establishment of which was a condition precedent to the provision by the Seller of a Mortgage Loan.
Liquidity Collateralisation Deposit	This is described in section 9.2.9.
Liquidity Facility	The liquidity facility described in section 9.2.
Liquidity Facility Agreement	This is described in section 14.
Liquidity Facility Limit	This is described in section 9.2.3.
Liquidity Facility Provider	NAB.
Liquidity Shortfall First	This is described in section 7.4.2.
Liquidity Shortfall Second	This is described in section 7.4.3.
Liquidity Shortfall Third	This is described in section 7.4.4.
LVR	In relation to a Mortgage Loan, the loan-to-value ratio of that Mortgage Loan (which calculation takes into account any other loan (including any other Mortgage Loan) secured by the same mortgaged property).
Macquarie	Macquarie Bank Limited ABN 46 008 583 542.
Management Fee	This is described in section 10.4.5.
Manager	The initial Manager of the Series Trust is Australian Central Services. If Australian Central Services retires or is terminated as Manager, this expression includes any substitute Manager appointed in its place and the Trustee whilst it is acting as Manager.
Manager Default	This is described in section 10.4.6.
Margin	The applicable margins over BBSW determined for each class of Notes as described in section 4.2.3.
Master Sale and Servicing Deed	This is described in section 14.
Master Security Trust Deed	This is described in section 14.
Master Trust Deed	This is described in section 14.
Maturity Date	This is described in sections 2.2 and 4.3.1.
Mortgage Insurance Policies	These are described in section 8.
Mortgage Documents	These are described in section 10.2.1
Mortgage Loan Rights	These are described in section 10.2.1

Mortgage Loan Pool	The pool of Mortgage Loans to be assigned to the Trustee by the Seller. This is described in section 6.2.
Mortgage Loan System	This is the electronic and manual reporting database and record keeping system used by the Servicer to monitor Mortgage Loans, as updated from time to time.
Mortgage Loans	The Mortgage loans forming part of the Mortgage Loan Pool assigned, or to be assigned, to the Trustee.
NAB	National Bank of Australia Limited ABN 12 004 044 937.
National Credit Code	Each of: <ul style="list-style-type: none"> (a) the NCCP Act, including the National Credit Code that comprises Schedule 1 to the NCCP Act; (b) the National Consumer Credit Protection (Fees) Act 2009 (Cth); (c) the National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 (Cth); (d) any acts or other legislation enacted in connection with any of the acts set out in paragraphs (a) to (c) (inclusive) and any regulations made under any of the acts set out in paragraphs (a) to (c) (inclusive) (including the NCCP Regulations); and (e) Division 2 of Part 2 of the Australian Securities and Investments Commission Act 2001, so far as it relates to the obligations of any of the Manager, the Servicer, a Seller or the Trustee in respect of an Australian Credit Licence issued under the National Consumer Credit Protection (Transitional and Consequential Provisions) Act.
NCCP Act	National Consumer Credit Protection Act 2009 (Cth).
NCCP Regulations	National Consumer Credit Protection Regulations 2010 (Cth).
New Securitisation Regulations	This is described in section 5.18.
Note	These are described in sections 2, 3 and 4.
Note Certificate	This is described in section 4.7.
Note Factor	At any time and in relation to any class of Notes the Stated Amount of that class of Notes on the last day of the just ended Collection Period expressed as a percentage of the Stated Amount of that class of Notes at its Closing Date.
Note Transfer	A transfer and acceptance form for the transfer of a Note in an approved form.
Novation Date	This is described in section 9.1.4.

Obligor	In relation to Mortgage Loan means the person or persons to whom a loan or other financial accommodation has been provided under that Mortgage Loan and includes, where the context requires, a guarantor (if any) of any obligations under the Mortgage Loan and the grantor of a Security Interest created by the mortgage or any collateral security in relation to that Mortgage Loan.
Obligor Break Costs	Any costs payable by an obligor solely in respect of the early termination of a given fixed interest rate relating to all or part of a Mortgage Loan prior to the scheduled termination of that fixed interest rate including any proceeds from the enforcement of a mortgage or from the Mortgage Insurance Policy relating to that Mortgage Loan which represent Obligor Break Costs to the extent that such proceeds exceed the cost of enforcement and the interest and principal outstanding on the Mortgage Loan.
Offshore Associate	An associate (as defined in section 128F(9) of the Tax Act) of an entity, that is either: <ul style="list-style-type: none"> (a) a non-resident of Australia (as defined in section 6 of the Tax Act) that does not acquire the Notes or an interest in the Notes in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or (b) a resident of Australia (as defined in section 6 of the Tax Act) that acquires the Notes or an interest in the Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate outside Australia.
Old Master Trust Deed	The Light Trusts Master Trust Deed dated 26 July 2007 entered into between the Manager, Perpetual Corporate Trust Limited and PCCU dated 26 July 2007.
Operations Manual	The written guidelines, policies and procedures established by the Seller and the Servicer for respectively originating, servicing and enforcing Mortgage Loans, as amended from time to time.
Other Loans	All loans, credit and financial accommodation (other than a Mortgage Loan) secured by a mortgage which also secures a Mortgage Loan.
Penalty Payments	Any: <ul style="list-style-type: none"> (a) civil or criminal penalty incurred by the Trustee under; (b) any money to be paid by the Trustee in relation to any claim against the Trustee under; or (c) a payment by the Trustee, with the consent of the Manager (such consent not be unreasonably withheld), in settlement of a liability or alleged liability under, <p>the Consumer Credit Code or any Verification Provision and includes any legal costs and expenses incurred by the Trustee or which the Trustee is to pay (in each case</p>

charged at the usual commercial rates of the relevant legal services provider) in connection with paragraphs (a) to (c) above.

Perfection of Title Event	This is described in section 10.2.10.
Prescribed Period	The period of 120 days (including the last day of the period) from the date that the loans were first assigned to a securitisation trust by the Seller (being 120 days from the date the Warehouse Mortgage Loans were assigned to the relevant Warehouse Trust in respect of those Mortgage Loans or 120 days from the Closing Date in respect of the Seller Mortgage Loans).
PPSA	Personal Properties Securities Act 2009 (Cth).
PPS Register	The register of security interests maintained in accordance with the PPSA.
Pricing Date	This is described in section 2.2.
Principal Collections	This is described in section 7.5.1.
Principal Draw	This is described in section 7.4.3.
Privacy Act	Privacy Act 1988 (Cth).
QBE LMI	QBE Lenders' Mortgage Insurance Limited ABN 70 000 511 071.
Rating Notification	In relation to an event or circumstance means written confirmation from the Manager that it has notified the Designated Rating Agencies of that event or circumstance and the Manager is satisfied that that event or circumstance is unlikely to cause or contribute to a downgrade or withdrawal of the rating given to any Notes by a Designated Rating Agency.
Record Date	This is described in section 2.2 and section 4.6.
Recoveries	Amounts recovered in respect of the principal of a Mortgage Loan that was part (or the whole) of a Defaulted Amount.
Redraw	A Further Advance made by the Seller in respect of a Mortgage Loan which does not result in the Scheduled Balance of that Mortgage Loan being exceeded.
Redraw Facility	This is described in section 9.3.
Redraw Facility Agreement	This is described in section 14.
Redraw Facility Limit	This is described in section 9.3.3.
Redraw Facility Provider	PCCU or any other provider of the Redraw Facility from time to time.
Redraw Principal Outstanding	The aggregate of all advances made under the Redraw Facility less repayments of principal in respect of the Redraw Facility previously made to the Redraw Facility

	Provider on account of principal.
Register	The register to be kept by the Trustee of the Notes and Units in respect of the Series Trust. The requirements in respect of the Register are described in section 4.6.
Related Body Corporate	In relation to a body corporate, means a body corporate which is related to the first mentioned body corporate by virtue of Division 6 of Part 1.2 of the Corporations Act 2001 (Cth).
Relevant Investors	These are described in section 10.9.1.
Required Extraordinary Expense Reserve	\$150,000.
S&P	S&P Global Ratings (Australia) Pty Limited ABN 62 007 324 852.
Sale Deed	This is described in section 14.
Scheduled Balance	In respect of a Mortgage Loan, the regularly scheduled loan amortisation balance of that Mortgage Loan.
Secured Creditors	These are described in section 9.4.1.
Secured Moneys	This is described in section 9.4.1.
Security	The security interest granted over the Collateral under the General Security Deed.
Security Interest	Any encumbrance, bill of sale, mortgage, charge, lien, hypothecation, assignment in the nature of security, security interest, title retention, preferential right, trust arrangement, flawed asset arrangement, contractual right of set off or any other security agreement or arrangement in favour of any person and includes any "security interest" as defined in section 12 of the PPSA.
Security Trust	The trust created under the Master Security Trust Deed on execution of the General Security Deed.
Security Trustee	P.T. Limited ABN 67 004 454 666.
Seller	PCCU.
Seller Mortgage Loans	These are described in section 5.10.
Senior Obligations	The obligations of the Trustee in respect of: <ul style="list-style-type: none"> (a) the Class A Notes and any obligations ranking equally or senior to the Class A Notes (as determined in accordance with the order of priority described in section 7.4.7) at any time while the Class A Notes are outstanding; (b) the Class AB Notes and any obligations ranking equally or senior to the Class AB Notes (as determined in accordance with the order of priority described in section 7.4.7) at any time while the Class

AB Notes are outstanding but the Class A Notes have been redeemed in full;

- (c) the Class B Notes and any obligations ranking equally or senior to the Class B Notes (as determined in accordance with the order of priority described in section 7.4.7) at any time while the Class B Notes are outstanding but the Class A Notes and the Class AB Notes have been redeemed in full;
- (d) the Class C Notes and any obligations ranking equally or senior to the Class C Notes (as determined in accordance with the order of priority described in section 7.4.7) at any time while the Class C Notes are outstanding but the Class A Notes, the Class AB Notes and the Class B have been redeemed in full;
- (e) the Class D Notes and any obligations ranking equally or senior to the Class D Notes (as determined in accordance with the order of priority set out in sections 7.4.7) at any time while the Class D Notes are outstanding but the Class A Notes, the Class AB Notes, the Class B Notes and the Class C Notes have been redeemed in full;
- (f) the Class E Notes and any obligations ranking equally or senior to the Class E Notes (as determined in accordance with the order of priority set out in sections 7.4.7) at any time while the Class E Notes are outstanding but the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full; and
- (g) any Secured Moneys, at any time once all Notes have been redeemed in full.

Serial Paydown Conditions	These are described in section 7.5.5.
Series Supplement	This is described in section 14.
Series Trust	The trust known as the Light Trust 2019-1.
Series Trust Expenses	This is described in section 7.4.8.
Servicer	The initial Servicer is PCCU. If PCCU retires or is terminated as Servicer, this expression includes any substitute Servicer appointed in its place and the Trustee whilst it is acting as Servicer.
Servicer Default	This is described in section 10.5.4.
Servicer Obligations	These are described in section 10.5.1.
Servicing Fee	This is described in section 10.5.3.
Servicing Standards	The standards and practices set out in the Operations Manual, or where a servicing function is not covered by the Operations Manual, the standards of practice of a prudent lender in the business of making residential mortgage

	loans.
Standby Swap Provider	NAB.
Stated Amount	At any time which is not on a Determination Date means, in relation to a Note or a Class of Notes the aggregate Initial Invested Amount for that Note or class of Notes (as the case may be) less the sum of: <ul style="list-style-type: none"> (a) the aggregate payments previously made on account of principal to the Noteholder or Noteholders (as the case may be) of that Note or Class of Note (as the case may be); and (b) the aggregate amount of unreimbursed Charge-Offs against that Note or Class of Note.
Step-Up Margin	0.25% per annum.
Subordinated Note Basic Term Modification	This is described in section 9.4.7.
Support Facility	Each Hedge Agreement, the Liquidity Facility, the Redraw Facility and the Mortgage Insurance Policies.
Sydney/Adelaide Business Day	Any day, other than Saturday, Sunday or a public holiday in New South Wales and South Australia on which ADIs are open for general banking business in Sydney and Adelaide.
Tax Act	The Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 as relevant.
Termination Date	This is described in section 10.6.1.
Termination Payment Date	The Distribution Date declared by the Trustee to be the Termination Payment Date of the Series Trust.
Threshold Mortgage Rate	This is described in section 2.6.
Total Expenses	In relation to a Collection Period means: <ul style="list-style-type: none"> (a) if, as at the Determination Date immediately following the end of that Collection Period, the Stated Amount of the Class AB Notes is less than 50% of the Invested Amount of the Class AB Notes, all amounts to be paid by the Trustee as described in sections 7.4.7(a) to (e) (inclusive) on the Distribution Date immediately following that Collection Period; (b) if, paragraph (a) above does not apply and as at the Determination Date immediately following the end of that Collection Period, the Stated Amount of the Class B Notes is less than the Invested Amount of the Class B Notes, all amounts to be paid by the Trustee as described in sections 7.4.7(a) to (f) (inclusive) on the Distribution Date following that Collection Period; (c) if, paragraphs (a) and (b) above do not apply and as at the Determination Date immediately following the end

of that Collection Period, the Stated Amount of the Class C Notes is less than the Invested Amount of the Class C Notes, all amounts to be paid by the Trustee as described in sections 7.4.7(a) to (g) (inclusive) on the Distribution Date immediately following that Collection Period;

(d) if, paragraphs (a), (b) and (c) above do not apply and as at the Determination Date immediately following the end of that Collection Period, the Stated Amount of the Class D Notes is less than the Invested Amount of the Class D Notes, all amounts to be paid by the Trustee as described in sections 7.4.7(a) to (h) (inclusive) on the Distribution Date immediately following that Collection Period;

(e) if, paragraphs (a), (b), (c) and (d) above do not apply and:

(i) as at the Determination Date immediately following the end of that Collection Period, the Stated Amount of the Class E Notes is less than the Invested Amount of the Class E Notes; or

(ii) the Call Date has or will occur on the Distribution Date immediately following the end of that Collection Period,

all amounts to be paid by the Trustee as described in sections 7.4.7(a) to (i) (inclusive) on the Distribution Date immediately following that Collection Period; or

(f) if none of the above paragraphs apply, all amounts to be paid by the Trustee as described in sections 7.4.7(a) to (j) (inclusive) on the Distribution Date immediately following that Collection Period.

Total Investor Revenues

This is described in section 7.4.5.

Total Principal Collections

These are described in section 7.5.1.

Transaction Documents

The documents described in section 14, the Dealer Agreement and any other document agreed by the Manager and the Trustee to be a Transaction Document.

Transfer Amount

The amount specified as such in a Transfer Proposal, which amount will be the aggregate principal amount of the mortgage loans specified in the Transfer Proposal on the cut-off date in relation to that Transfer Proposal or such other amount determined by the Manager provided that the Manager has issued a Rating Notification (where applicable).

Transfer Proposal

A proposal from the manager to the trustee given either in accordance with the Master Trust Deed or the Sale Deed (as applicable), for the trustee to transfer Assigned Assets from one series trust under the Master Trust Deed or the Warehouse Trust, as applicable, to another series trust under the Master Trust Deed or Sale Deed (as the context requires).

Trustee	The initial Trustee is Perpetual Corporate Trust Limited ABN 99 000 341 533. If Perpetual Corporate Trust Limited is removed or retires as Trustee, the expression includes any substitute trustee appointed in its place.
Trustee Default	This is described in section 10.3.7.
Trustee Fee	The monthly fee payable to the Trustee for its trustee services and any interest payable thereon. This is described in section 10.3.6.
UCCC	The uniform consumer credit code set out in the Appendix to the Consumer Credit (Queensland) Act 1994 as in force or applied as a law of any jurisdiction of Australia or the provisions of the Code set out in the Appendix to the Consumer Credit (Western Australia) Act 1996 or the provisions of the Code set out in the Appendix to the Consumer Credit (Tasmania) Act 1996.
Unit	The Capital Units or the Income Unit in the Series Trust.
Unitholder	A holder of a Unit in the Series Trust.
Verification Provisions	Each of the following: <ul style="list-style-type: none"> (a) sections 11B of the Land Title Act 1994 (Qld); (b) section 56C or section 117(4) of the Real Property Act 1900 (NSW); (c) the Verification of Identity, Practice issued jointly by the Western Australian Registrar of Titles and Commissioner of Titles; and (d) any equivalent provisions in any other State or Territory of Australia
Voting Entitlement	In relation to a meeting of Relevant Investors, on a particular date the number of votes which the Relevant Investors would be entitled to exercise if a meeting of Relevant Investors were held on that date, being: <ul style="list-style-type: none"> (a) in respect of a meeting of Relevant Investors who are Voting Secured Creditors, in respect of each Voting Secured Creditor, the number calculated by dividing the Secured Moneys owing to that Voting Secured Creditor by 10 and rounding the resulting figure to the nearest whole number (exact half numbers to be rounded up); (b) in respect of a meeting of Relevant Investors who are Noteholders, Unitholders or Investors: <ul style="list-style-type: none"> (i) in respect of each Noteholder, one vote for each A\$1 of outstanding principal amount in respect of the relevant Notes held by it; and (ii) in respect of each Unitholder, one vote for each Unit held by it, <p>provided, in each case, where a meeting of Relevant Investors includes foreign currency noteholders and a note</p>

trustee is acting on their behalf the note trustee will have a Voting Entitlement equal to the aggregate Voting Entitlement (determined in accordance with the foregoing) for all foreign currency noteholders of the Series Trust on whose behalf it is acting.

Voting Secured Creditors	These are described in section 9.4.1.
Warehouse Mortgage Loans	These are described in section 2.5.
Warehouse Trust	One or more series trusts established under the Master Trust Deed or the Old Master Trust Deed from which the Series Trust acquires Warehouse Mortgage Loans.
Westpac	Westpac Banking Corporation ABN 33 007 457 141.

ANNEXURE 1 - DETAILS OF THE MORTGAGE LOAN POOL

The following tables summarise the Mortgage Loan Pool as at 17 June 2019. Further information regarding the Mortgage Loans and PCCU mortgage loan business is contained in section 6.

The actual characteristics of the final Mortgage Loan Pool may change from that described in the following tables as a result of the selection process. It is also noted that Mortgage Loans not in the pool may be added to the final Mortgage Loan Pool if the transaction is upsized.

Summary Pool Statistics as at 17 June 2019

No. of Loans (Consolidated):	2,397
No. of Loans (Unconsolidated):	3,079
Aggregate Pool Current Balance:	\$649,988,409
Total Valuation of Properties	\$1,161,719,556
Maximum Loan Balance (Consolidated):	\$991,449
Average Loan Balance (Consolidated):	\$271,167
Loan Seasoning / Term to Maturity	
Maximum Original Term to Maturity (months):	360.0
WAVG Remaining Term to Maturity (months):	301.8
WAVG Seasoning (months):	39.3
Loan to Value Ratio (LVR)	
Maximum Current LVR (Consolidated):	91.1%
WAVG Current LVR:	62.9%
>80% Current LVR:	11.5%

Current Balance (Consolidated)

	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
\$0 to \$100,000	263	11.0%	16,598,428.43	2.6%
\$100,000 to \$150,000	272	11.3%	34,731,888.79	5.3%
\$150,000 to \$200,000	327	13.6%	57,319,340.36	8.8%
\$200,000 to \$250,000	350	14.6%	78,957,739.92	12.1%
\$250,000 to \$300,000	343	14.3%	94,382,823.85	14.5%
\$300,000 to \$350,000	246	10.3%	79,894,364.84	12.3%
\$350,000 to \$400,000	170	7.1%	63,513,170.61	9.8%
\$400,000 to \$450,000	132	5.5%	55,658,937.63	8.6%
\$450,000 to \$500,000	100	4.2%	47,339,442.22	7.3%
\$500,000 to \$750,000	169	7.1%	100,228,220.15	15.4%
\$750,000+	25	1.0%	21,364,052.04	3.3%
Total	2397	100%	649,988,408.84	100%

Current LVR (Consolidated)

	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
0% to 50%	783	32.7%	132,485,214.91	20.4%
50% to 55%	164	6.8%	46,364,880.41	7.1%
55% to 60%	212	8.8%	66,490,957.03	10.2%
60% to 65%	216	9.0%	66,358,738.78	10.2%
65% to 70%	239	10.0%	77,574,480.52	11.9%
70% to 75%	256	10.7%	86,498,699.46	13.3%
75% to 80%	278	11.6%	99,662,860.52	15.3%
80% to 85%	138	5.8%	43,578,072.92	6.7%
85% to 90%	102	4.3%	28,870,375.27	4.4%
90% to 95%	9	0.4%	2,104,129.02	0.3%
95%+	0	0.0%	-	0.0%
Total	2397	100.0%	649,988,408.84	100.0%

Property Valuation (Consolidated)

	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
\$0 to \$100,000	6	0.3%	231,926.23	0.0%
\$100,000 to \$200,000	139	5.8%	13,357,283.25	2.1%
\$200,000 to \$300,000	394	16.4%	62,142,481.59	9.6%
\$300,000 to \$400,000	561	23.4%	116,715,981.52	18.0%
\$400,000 to \$500,000	429	17.9%	110,903,294.31	17.1%
\$500,000 to \$600,000	310	12.9%	99,128,869.99	15.3%
\$600,000 to \$700,000	194	8.1%	71,500,270.25	11.0%
\$700,000 to \$800,000	124	5.2%	52,142,519.02	8.0%
\$800,000 to \$900,000	73	3.0%	31,885,703.58	4.9%
\$900,000 to \$1,000,000	59	2.5%	29,577,136.19	4.6%
\$1,000,000 to \$1,500,000	96	4.0%	56,074,672.60	8.6%
\$1,500,000+	12	0.5%	6,328,270.31	1.0%
Total	2397	100.0%	649,988,408.84	100.0%

Security State (Unconsolidated)

	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
ACT	13	0.4%	4,019,910.45	0.6%
NSW	57	1.9%	15,732,799.56	2.4%
NT	172	5.6%	41,584,238.73	6.4%
QLD	41	1.3%	10,793,239.64	1.7%
SA	2289	74.3%	440,965,759.68	67.8%
TAS	8	0.3%	2,108,989.37	0.3%
VIC	474	15.4%	127,277,663.19	19.6%
WA	25	0.8%	7,505,808.22	1.2%
Total	3079	100.0%	649,988,408.84	100.0%

Geographic Region (Unconsolidated)

	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
Metropolitan	2277	74.0%	500,484,451.26	77.0%
Non-metropolitan	786	25.5%	144,975,327.67	22.3%
Inner City	16	0.5%	4,528,629.91	0.7%
Total	3079	100.0%	649,988,408.84	100.0%

Geographic Distribution (Unconsolidated)

	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
SA - Inner City	13	0.4%	3,412,965.92	0.5%
SA - Metropolitan	1736	56.4%	350,270,710.12	53.9%
SA - Non metropolitan	540	17.5%	87,282,083.64	13.4%
NT - Inner City	0	0.0%	-	0.0%
NT - Metropolitan	110	3.6%	25,797,165.76	4.0%
NT - Non metropolitan	62	2.0%	15,787,072.97	2.4%
WA - Inner City	0	0.0%	-	0.0%
WA - Metropolitan	24	0.8%	7,020,018.22	1.1%
WA - Non metropolitan	1	0.0%	485,790.00	0.1%
VIC - Inner City	1	0.0%	547,599.79	0.1%
VIC - Metropolitan	341	11.1%	98,340,968.78	15.1%
VIC - Non metropolitan	132	4.3%	28,389,094.62	4.4%
QLD - Inner City	0	0.0%	-	0.0%
QLD - Metropolitan	20	0.6%	5,812,214.71	0.9%
QLD - Non metropolitan	21	0.7%	4,981,024.93	0.8%
NSW - Inner City	0	0.0%	-	0.0%
NSW - Metropolitan	31	1.0%	8,794,520.36	1.4%
NSW - Non metropolitan	26	0.8%	6,938,279.20	1.1%
ACT - Inner City	0	0.0%	-	0.0%
ACT - Metropolitan	13	0.4%	4,019,910.45	0.6%
ACT - Non metropolitan	0	0.0%	-	0.0%
TAS - Inner City	2	0.1%	568,064.20	0.1%
TAS - Metropolitan	2	0.1%	428,942.86	0.1%
TAS - Non metropolitan	4	0.1%	1,111,982.31	0.2%
Total	3079	100.0%	649,988,408.84	100.0%

Interest Rate (Unconsolidated)				
	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
0.00% to 5.00%	2926	95.0%	627,150,413.60	96.5%
5.00% to 5.25%	52	1.7%	10,611,724.17	1.6%
5.25% to 5.50%	81	2.6%	9,971,222.19	1.5%
5.50% to 5.75%	10	0.3%	1,318,832.57	0.2%
5.75% to 6.00%	8	0.3%	781,706.47	0.1%
6.00% to 6.25%	2	0.1%	154,509.84	0.0%
6.25% to 6.50%	0	0.0%	-	0.0%
6.50% to 6.75%	0	0.0%	-	0.0%
Total	3079	100.0%	649,988,408.84	100.0%

Loan Seasoning (Unconsolidated)				
	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
0 to 6 months	51	1.7%	5,908,235.64	0.9%
6 to 12 months	169	5.5%	34,272,339.04	5.3%
12 to 18 months	420	13.6%	90,964,526.00	14.0%
18 to 24 months	533	17.3%	122,489,988.97	18.8%
24 to 30 months	286	9.3%	69,092,213.31	10.6%
30 to 36 months	344	11.2%	80,379,121.64	12.4%
36 to 42 months	255	8.3%	55,223,497.26	8.5%
42 to 48 months	190	6.2%	40,006,931.29	6.2%
48 to 54 months	122	4.0%	24,989,505.01	3.8%
54 to 60 months	118	3.8%	23,255,824.72	3.6%
60 to 66 months	76	2.5%	15,654,856.70	2.4%
66 to 72 months	72	2.3%	13,768,153.62	2.1%
72+ months	443	14.4%	73,983,215.64	11.4%
Total	3079	100%	649,988,408.84	100%

Remaining Loan Term (Unconsolidated)				
	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
0 years	0	0.0%	-	0.0%
0 to 2 years	0	0.0%	-	0.0%
2 to 4 years	19	0.6%	691,630.79	0.1%
4 to 6 years	12	0.4%	353,090.88	0.1%
6 to 8 years	22	0.7%	1,321,410.77	0.2%
8 to 10 years	36	1.2%	2,416,231.79	0.4%
10 to 12 years	29	0.9%	2,658,773.75	0.4%
12 to 14 years	75	2.4%	9,198,801.72	1.4%
14 to 16 years	82	2.7%	9,600,177.68	1.5%
16 to 18 years	150	4.9%	24,406,893.57	3.8%
18 to 20 years	226	7.3%	34,401,096.84	5.3%
20 to 22 years	190	6.2%	35,130,812.15	5.4%
22 to 24 years	300	9.7%	60,842,487.62	9.4%
24 to 26 years	403	13.1%	87,325,712.86	13.4%
26 to 28 years	859	27.9%	209,511,940.36	32.2%
28 to 30 years	676	22.0%	172,129,348.06	26.5%
30+ years	0	0.0%	-	0.0%
Total	3079	100.0%	649,988,408.84	100.0%

Repayment Method (Unconsolidated)				
	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
Interest Only	134	4.4%	36,840,036.44	5.7%
Principal & Interest	2945	95.6%	613,148,372.40	94.3%
Total	3079	100.0%	649,988,408.84	100.0%

Interest Only Remaining Term (Unconsolidated)				
	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
0 to 12 months	38	1.2%	11,095,150.33	1.7%
12 to 24 months	37	1.2%	9,387,550.13	1.4%
24 to 36 months	29	0.9%	8,765,450.32	1.3%
36 to 48 months	18	0.6%	5,346,748.85	0.8%
48 to 60 months	9	0.3%	2,079,042.97	0.3%
60 to 72 months	0	0.0%	-	0.0%
72 to 84 months	1	0.0%	17,596.71	0.0%
84 to 96 months	1	0.0%	67,185.60	0.0%
96 to 108 months	1	0.0%	81,311.53	0.0%
108 to 120 months	0	0.0%	-	0.0%
120+ months	0	0.0%	-	0.0%
Principal & Interest	2945	95.6%	613,148,372.40	94.3%
Total	3079	100.0%	649,988,408.84	100.0%

Interest Rate Type (Unconsolidated)				
	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
Fixed	925	30.0%	205,244,830.05	31.6%
Variable	2154	70.0%	444,743,578.79	68.4%
Total	3079	100.0%	649,988,408.84	100.0%

Remaining Fixed Period (Unconsolidated)				
	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
0 to 6 months	264	8.6%	58,823,872.52	9.0%
6 to 12 months	173	5.6%	38,127,523.72	5.9%
12 to 24 months	377	12.2%	85,452,535.58	13.1%
24 to 36 months	94	3.1%	20,298,489.01	3.1%
36 to 48 months	12	0.4%	1,876,114.62	0.3%
48 to 60 months	5	0.2%	666,294.60	0.1%
60+ months	0	0.0%	-	0.0%
Variable	2,154	70.0%	444,743,578.79	68.4%
Total	3079	100.0%	649,988,408.84	100.0%

Occupancy (Unconsolidated)				
	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
Owner/Occupier	2661	86.4%	552,527,285.65	85.0%
Investment	418	13.6%	97,461,123.19	15.0%
Total	3079	100.0%	649,988,408.84	100.0%

Loan Documentation (Unconsolidated)				
	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
Full Documentation	3,079	100.0%	649,988,408.84	100.0%
Low Documentation	0	0.0%	-	0.0%
Total	3079	100.0%	649,988,408.84	100.0%

Mortgage Insurer (Unconsolidated)				
	No. of Accounts	% by No. Accounts	Current Balance (\$)	% by Current Balance
QBE	796	25.9%	160,024,661.33	24.6%
Uninsured	2283	74.1%	489,963,747.51	75.4%
Total	3079	100.0%	649,988,408.84	100.0%

DIRECTORY

Sponsor, Seller and Servicer

Australian Central Credit Union Ltd trading as People's Choice Credit Union
50 Flinders Street
Adelaide SA 5000

Manager

Australian Central Services Pty Ltd
50 Flinders Street
Adelaide SA 5000

Trustee

Perpetual Corporate Trust Limited
Level 18, 123 Pitt Street
Sydney NSW 2000

Security Trustee

P.T. Limited
Level 18, 123 Pitt Street
Sydney NSW 2000

Arranger and Joint Lead Manager

National Australia Bank Limited
Level 25, 255 George Street

Sydney NSW 2000

Joint Lead Manager

Australia and New Zealand Banking Group Limited
Level 5, 242 Pitt Street
Sydney NSW 2000

Joint Lead Manager

Macquarie Bank Limited
Level 1, 50 Martin Place
Sydney NSW 2000

Joint Lead Manager

Westpac Banking Corporation
Level 2, 275 Kent Street
Sydney NSW 2000

Solicitors to PCCU and the Manager

Clayton Utz
Level 15
1 Bligh Street
Sydney NSW 2000