Pinnacle Series Trust 2021-T1

Information Memorandum

Mortgage Backed Pass-Through Floating Rate Securities

$322,000,000 CLASS A1 NOTES
Provisional Rating
"AAA(sf)" by Standard & Poor's (Australia) Pty. Limited ABN 62 007 324 852

$14,000,000 CLASS A2 NOTES
Provisional Rating
"AAA(sf)" by Standard & Poor's (Australia) Pty. Limited ABN 62 007 324 852

$8,225,000 CLASS B NOTES
Provisional Rating
"AA(sf)" by Standard & Poor's (Australia) Pty. Limited ABN 62 007 324 852

$3,325,000 CLASS C NOTES
Provisional Rating
"A(sf)" by Standard & Poor's (Australia) Pty. Limited ABN 62 007 324 852

$1,155,000 CLASS D NOTES
Provisional Rating
"BBB(sf)" by Standard & Poor's (Australia) Pty. Limited ABN 62 007 324 852

$700,000 CLASS E NOTES
Provisional Rating
"BB(sf)" by Standard & Poor's (Australia) Pty. Limited ABN 62 007 324 852

$595,000 CLASS F NOTES
Not Rated

Australia and New Zealand Banking Group Limited
ABN 11 005 357 522
Arranger and Sole Lead Manager

Police & Nurses Limited
ABN 69 087 651 876
Sponsor

28 October 2021

No Guarantee

Neither the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes nor the Class F Notes (the **Notes**) represent deposits or other liabilities of Police & Nurses Limited ABN 69 087 651 876 (**PNL**), P&N Management Pty Limited ABN 24 009 198 681 (the **Manager**), Australia and New Zealand Banking Group Limited ABN 11 005 357 522 (**ANZ**), GT Australia Nominees Limited ABN 29 003 646 062 (the **Security Trustee**) or any other member of the PNL or ANZ groups. The Notes do not represent deposits of BNY Trust Company of Australia Limited or any other member of the BNY Trust Company of Australia Limited group. The Notes do represent liabilities of BNY Trust Company of Australia Limited in its capacity as trustee of the Series Trust subject to certain limitations. None of PNL, the Manager, ANZ, BNY Trust Company of Australia Limited, the Security Trustee or any other member of their respective corporate 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 PNL, ANZ or any other member of the PNL or ANZ 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.

Contents

1. Important Notice

Terms

References in this Information Memorandum to various documents are explained in Section 13. Unless defined elsewhere, all other terms are defined in the Glossary in Section 14. Sections 13 and 14 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 BNY Trust Company of Australia Limited ABN 49 050 294 052, in its capacity as trustee of the Pinnacle Series Trust 2021-T1 (the **Trustee**). This Information Memorandum does not relate to, and is not relevant for, any other purpose.

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 except for Section 6 which has been prepared and authorised by PNL.

None of PNL (except for Section 6), the Trustee, GT Australia Nominees Limited ABN 29 003 646 062 (the **Security Trustee**) or ANZ 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 has had any involvement in the preparation of any part of this Information Memorandum (other than the paragraph immediately below in this Section 1 and the Directory, where particular references to BNY Trust Company of Australia Limited in its corporate capacity is contained).

BNY Trust Company of Australia Limited has obtained an Australian Financial Services Licence under Part 7.6 of the Corporations Act 2001 of Australia (Australian Financial Services Licence No. 239048).

Whilst the Manager believes the statements made in this Information Memorandum are accurate, neither it nor PNL, the Trustee, the Security Trustee, ANZ, the Rating Agency 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.

Date of this Information Memorandum

This Information Memorandum has been prepared as at 28 October 2021 (the **Preparation Date**), based upon information available, and the facts and circumstances known, to the Manager (or, in the case of Section 6, PNL) 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 Pinnacle Series Trust 2021-T1 (the **Series Trust**), the Trustee, the Security Trustee, PNL, 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 Trust, the Trustee or the Series Trust at any time or to keep a recipient of this Information Memorandum or the holder of any Note (a **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, PNL, the Trustee, the Security Trustee, ANZ nor any other person accepts any responsibility to 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 inspected by intending subscribers or purchasers of the Notes, on the conditions contained in Section 13, at the office of Trustee referred to in the Directory at the back of this Information Memorandum.

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, PNL, the Trustee, the Security Trustee or ANZ 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 PNL, the Manager, the Trustee, the Security Trustee or ANZ.

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 or Part 7.9 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 possession or distribution of this Information Memorandum, the offer or invitation to subscribe for or buy the Notes or a public offering of the Notes 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 or Part 7.9 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.

Disclosure of Interests

Each of PNL, the Manager and ANZ 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.

Limited Recovery

Any obligation or liability of the Trustee or the Security Trustee arising under or in any way connected with the Notes, the Master Trust Deed, the Master Sale and Servicing Deed, the Series Supplement, the Master Security Trust Deed or any other Transaction Document to which the Trustee or the Security Trustee (as applicable) is a party is limited, except in the case of fraud, gross negligence or wilful misconduct on the part of the Trustee or the Security Trustee (as applicable), to the extent to which it can be satisfied out of the Assets of the Series Trust out of which the Trustee or the Security Trustee (as applicable) is actually indemnified for the obligation or liability. Other than in the exception previously mentioned, the assets of the Trustee or the Security Trustee (in their respective corporate capacities) or any other member of their respective corporate groups are not available to meet payments of interest or repayment of principal on the Notes.

None of PNL, the Manager, any other member of the PNL group, ANZ, any other member of the ANZ group, the Trustee or the Security Trustee 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 and UK Securitisation Regulation

Prospective investors should note that neither PNL nor any other entity has committed to retain a material net economic interest in the securitisation in accordance with Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (the **EU Securitisation Regulation**) or Regulation (EU) 2017/2402 as it forms part of the domestic laws of the United Kingdom (**UK**) by operation of the European Union Withdrawal Act 2018 and as amended by the Securitisation (Amendment) (EU Exit) Regulations 2019 (and as further amended from time to time, the **UK Securitisation Regulation**). As a result, a relevant EU or UK regulated investor seeking to invest in the Notes (on issue or at any time thereafter) will be unable to satisfy any applicable risk retention and due diligence requirements in respect of such investment. Failure to comply with one or more of the requirements of the EU Securitisation Regulation or the UK Securitisation Regulation may result in penalties for relevant investors and/or have a negative impact on the price and liquidity of the Notes in the secondary market. Prospective investors are referred to Section 5.22 for further information on the EU Securitisation Regulation and UK Securitisation Regulation and certain related considerations.

Japanese Regulations

None of PNL, the Trustee, the Manager, ANZ nor any other party to the Transaction Documents:

(a) has considered the final rule in relation to regulatory capital requirements with respect to the investment by certain Japanese financial institutions in securitisations as published by the Japanese Financial Services Agency on 15 March 2019 (the **Japanese Risk Retention Rule**), or the application of the Japanese Risk Retention Rule to the proposed issue of, or any investment in, the Notes or any other transaction contemplated by this Information Memorandum (each a **Transaction**);

(b) makes any statement or representation in relation to the application of the Japanese Risk Retention Rule to any Transaction and in particular the regulatory capital consequences under the Japanese Risk Retention Rule for any person who invests in or holds any interest in the Notes; or

(c) intends to take any action to ensure any Transaction complies with or otherwise satisfies the Japanese Risk Retention Rule.

Reserve Bank of Australia repo eligibility

The Manager intends, but is under no obligation, to make an application to the Reserve Bank of Australia (**RBA**) for the Class A1 Notes and/or the Class A2 Notes to be “eligible securities” (or “repo eligible”) for the purposes of repurchase agreements with the RBA.

The RBA’s criteria for repo eligibility will affect whether the Class A1 Notes and/or the Class A2 Notes are repo eligible. The RBA’s criteria for repo eligibility require, among other things, that certain information be provided by the Manager to the RBA at the time of seeking repo-eligibility and during the term of the Class A1 Notes and/or the Class A2 Notes in order for those Notes to be (and to continue to be) repo-eligible. If the Manager is unable to provide the relevant prescribed information to the RBA at the time of seeking repo-eligibility, or at any time during the term of the Class A1 Notes and/or Class A2 Notes as required by the RBA, then those Notes may not be, or may cease to be, repo-eligible (as the case may be).

No assurance is given, or can be given, by any person (including the Trustee and the Security Trustee) that such application by the Manager for the Class A1 Notes and/or Class A2 Notes to be repo eligible will be successful, or that the Class A1 Notes and/or Class A2 Notes will continue to be repo eligible at all times even if they are eligible in relation to their initial issue. Without limitation, subsequent changes by the RBA to its criteria could affect whether the Class A1 Notes and/or Class A2 Notes continue to be repo-eligible.

If the Class A1 Notes and/or Class A2 Notes are repo-eligible at any time, Noteholders should be aware that relevant disclosures may be made by the Manager to investors and potential investors in Class A1 Notes and/or Class A2 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).

The Arranger and Sole Lead Manager

ANZ, in its capacity as Arranger and Sole Lead Manager, does not, by reason of a Transaction Document, have a fiduciary relationship with, and is not taken to be an agent or trustee of or for, the Trustee, the Manager or any recipient of this Information Memorandum in connection with the Notes or any related transactions.

The Dealer Agreement does not constitute a partnership between the parties or any of them.

The Arranger and Sole Lead Manager is responsible only for marketing its allocations of the Notes, and does not offer, market or otherwise seek subscriptions or investors for notes other than the Notes.

The Arranger and Sole Lead Manager has no responsibility to or liability for and does not owe any duty to any person who purchases or intends to purchase Notes in respect of this transaction, including but not limited to:

(a) the accuracy or completeness of any information contained in this Information Memorandum, and has not separately verified the information contained in this Information Memorandum and makes no representation, warranty or undertaking, express or implied, as to the accuracy or completeness of, or any errors or omissions in, any information contained in this Information Memorandum or any other information supplied in connection with the Notes; and

(b) 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 or the enforceability of any of the obligations set out in the Transaction Documents (other than its own individual obligations under the Dealer Agreement).

Offshore Associates not to acquire IWT Notes

Under current Australian law, interest paid on the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes (together, the **IWT Notes**) by the Trustee will not be subject to Australian interest withholding tax if the IWT Notes are issued in accordance with certain prescribed conditions set out in section 128F of the Tax Act. One of these conditions is that the Trustee must not know, or have reasonable grounds to suspect, that an IWT Note, or an interest in an IWT Note, was being, or would later be, acquired directly or indirectly by an Offshore Associate of the Trustee (which would include certain associates of PNL), other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant IWT Note, or a clearing house, custodian, funds manager or responsible entity of a registered scheme, Accordingly, the IWT Notes must not be acquired by an Offshore Associate of the Trustee or PNL (other than in these specified capacities). Any investor who believes that it may be affiliated with or related to any of the above-mentioned entities, or who otherwise believes it may be an Offshore Associate of the Trustee or PNL, should make appropriate enquiries before investing in any IWT Notes. For more details, please refer to Section 12.2.

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:	The Notes are divided into 7 classes: the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.
Cut-Off Date:	31 August 2021.
Commitment Date:	On or before 27 October 2021, or such other date that the Manager and ANZ agree.
Issue Date:	Subject to the satisfaction of certain conditions precedent, 29 October 2021.
Maturity Date:	The Distribution Date occurring in October 2053 (or if such a day is not a Business Day, the next Business Day).
Record Date:	The day which is 5 Business Days before each Distribution Date.
Determination Date:	The day which is 3 Business Days before each Distribution Date.
Distribution Date:	The 20th day of each month (or if such day is not a Business Day, the next Business Day). The first Distribution Date will be 22 November 2021.
Aggregate of the Initial Invested Amount of the Class A1 Notes:	$322,000,000.
Aggregate of the Initial Invested Amount of the Class A2 Notes:	$14,000,000.
Aggregate of the Initial Invested Amount of the Class B Notes:	$8,225,000.
Aggregate of the Initial Invested Amount of the Class C Notes:	$3,325,000.

Aggregate of the Initial Invested Amount of the Class D Notes:	$1,155,000.
Aggregate of the Initial Invested Amount of the Class E Notes:	$700,000.
Aggregate of the Initial Invested Amount of the Class F Notes:	$595,000.
Denomination:	Each Note has a denomination of $1,000. 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 the Class A1 Notes are rated AAA(sf) by Standard & Poor's (Australia) Pty Limited (**S&P**) (the **Rating Agency**), the Class A2 Notes are rated AAA(sf) by S&P, the Class B Notes are rated AA(sf) by S&P, the Class C Notes are rated A(sf) by S&P, the Class D Notes are rated BBB(sf) by S&P and the Class E Notes are rated BB(sf) by S&P. The Class F Notes will not be rated.
Arranger:	ANZ.
Sole Lead Manager:	ANZ.

2.3 Interest on the Notes

Payment of Interest on the Notes:	Both prior to and following enforcement of the security under the General Security Deed, the Class A1 Notes rank *pari passu* and rateably amongst themselves and ahead of the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes for payment of Interest on the Notes, the Class A2 Notes rank *pari passu* and rateably amongst themselves and ahead of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes for payment of Interest on the Notes, the Class B Notes rank *pari passu* and rateably amongst themselves and ahead of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes for payment of Interest on the Notes, the Class C Notes rank *pari passu* and rateably amongst themselves and ahead of the Class D Notes, the Class E Notes and the Class F Notes, the Class D Notes rank *pari passu* and rateably amongst themselves and ahead of the Class E Notes and the Class F Notes for payment of Interest on the Notes, and the Class E Notes rank *pari passu* and rateably amongst themselves and ahead of the Class F Notes for payment of Interest on the Notes. For further details on payment of Interest on the Notes, see Section 7.4.4.

Calculation of Interest on the Notes:	Interest on the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes for each Interest Period will be calculated based on the aggregate of BBSW on the first day of that Interest Period plus the applicable Margin for that class of Notes. The Margin for the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be determined on the Commitment Date by agreement between the Manager and the Sole Lead Manager. If the Class A1 Notes or the Class A2 Notes have not been redeemed on or prior to the Clean-Up Date, then the Margin applicable to Class A1 Notes or the Class A2 Notes, as applicable, during any Interest Period commencing on or after the Clean-Up Date will be the Margin applying to the Class A1 Notes or Class A2 Notes, as applicable, immediately prior to the Clean-Up Date plus 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:	Subject to there being sufficient funds for this purpose, Noteholders as of record on the Record Date will be entitled to receive payments of Interest on the Notes monthly in arrears on each Distribution Date. For further details on payment of Interest on the Notes, see Sections 4.2.5 and 7.4.4.

2.4 Repayment of Principal on the Notes

Repayment of Principal:	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 or not certain criteria (the **Step-Down Criteria**) are satisfied on the relevant Distribution Date, which are described in Section 7.5.5. If on a Determination Date the Manager determines that the Step-Down Criteria will not be satisfied on the following Distribution Date (such determination to be made before taking into account any payments to be made on that following Distribution Date), on that following Distribution Date the Class A1 Notes will be paid principal ahead of the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes until repaid in full, the Class A2 Notes will be paid principal ahead of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes until repaid in full, the Class B Notes will be paid principal ahead of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes until repaid in full, the Class C Notes will be paid principal ahead of the Class D Notes, the Class E Notes

and the Class F Notes until repaid in full, the Class D Notes will be paid principal ahead of the Class E Notes and the Class F Notes until repaid in full and the Class E Notes will be paid principal ahead of the Class F Notes until repaid in full.

If on a Determination Date the Manager determines that the Step-Down Criteria will be satisfied on the following Distribution Date (such determination to be made before taking into account any payments to be made on that following Distribution Date), on that following Distribution Date principal will be distributed *pari passu* and rateably amongst the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

Following enforcement of the Security in accordance with the Master Security Trust Deed and the General Security Deed, the Class A1 Notes rank *pari passu* and rateably amongst themselves and ahead of, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes for payment of principal, the Class A2 Notes rank *pari passu* and rateably amongst themselves and ahead of, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes for payment of principal, the Class B Notes rank *pari passu* and rateably amongst themselves and ahead of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes for the payment of principal, the Class C Notes rank *pari passu* and rateably amongst themselves and ahead of the Class D Notes, the Class E Notes and the Class F Notes for payment of principal, the Class D Notes rank *pari passu* and rateably amongst themselves and ahead of the Class E Notes and the Class F Notes and the Class E Notes rank *pari passu* and rateably amongst themselves and ahead of the Class F Notes for repayment of principal.

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

Call Option:

The Trustee may, on the direction of the Manager and on giving not less than 5 Business Days' notice to the Noteholders, redeem all of the Notes on any Distribution Date falling after the Clean-Up Date.

If the Call Option is exercised, the Noteholders will receive, on the Distribution Date on which the Notes are to be redeemed, the aggregate of the Invested Amount of the Notes and the Interest payable on the Notes, otherwise the redemption will be subject to approval, by way of an extraordinary resolution, of the Noteholders.

For additional information on the Call Option, see Section 4.3.4.

2.5 The Mortgage Loans

Purchase of Mortgage Loans:

On the Issue Date, the Trustee will use the proceeds from the issue of the Notes to purchase a pool of mortgage loans originated by the Seller (the **Mortgage Loans**) and related mortgages and collateral securities and to establish the Liquidity Reserve.

These Mortgage Loans will be purchased from:

(a) the Seller (such Mortgage Loans being the **Seller Mortgage Loans**); and

(b) each Existing Disposing Trust (such Mortgage Loans being the **Existing Disposing Trust Mortgage Loans**).

The purchase price for the Mortgage Loans will be equal to the total principal amount outstanding under those Mortgage Loans as at the Cut-Off Date.

The Trustee, on the direction of the Manager, will also pay to:

(a) the Seller, on the first Distribution Date (and on each subsequent Distribution Date until paid in full), an amount equal to the interest accrued on the Seller Mortgage Loans from and including the previous due date for the payment of interest on each of the Seller Mortgage Loans up to (but excluding) the Issue Date (the **Accrued Interest Adjustment**); and

(b) each Existing Disposing Trust, on the first Distribution Date (and on each subsequent Distribution Date until paid in full), an additional amount which is necessary to ensure that each Existing Disposing Trust has the benefit of any receipts (other than in the nature of principal) and bears the cost of any outgoings in relation to the relevant Existing Disposing Trust Mortgage Loans in respect of the period from the Cut-Off Date to (but excluding) the Issue Date (the **Adjustment Advance**).

For further details on the Accrued Interest Adjustment and the Adjustment Advance, see Sections 7.4.4 and 10.1.3.

The Mortgage Loans to be acquired by the Series Trust have been originated by the Seller and sourced from the Seller's general portfolio of retail mortgage loans and will be acquired by the Series Trust from the Seller and each Existing Disposing Trust. The Mortgage Loans 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. If a Perfection of Title Event occurs under the Master Sale and Servicing Deed, the Trustee may be required to take certain actions to perfect its legal title to the Mortgage Loans and related mortgages and collateral securities. For further details on perfection of title, see Section 10.2.13.

Custody of Mortgage Loan Documents: The Seller will hold custody of the underlying Mortgage Loan Documents on behalf of the Trustee from and including the Issue Date until a Document Transfer Event occurs or it retires as Custodian. For further details on custody of the Mortgage Loan Documents, see Section 11.

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 in respect of:

(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 Issue Date.

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 may, in its sole discretion, deposit amounts into the Collections Account in prepayment of its obligations to pay Collections into the Collections Account. Such prepaid amounts (**Outstanding Prepayment Amounts**) are, to the extent they are standing to the credit of the Collections Account, secured to the Servicer under the Master Security Trust Deed and the General Security Deed (see Section 9.2.5).

The Servicer may from time to time request that the Trustee repay Outstanding Prepayment Amounts but only to the extent that those Outstanding Prepayment Amounts are not required to offset the Servicer's earlier obligation to deposit Collections into the Collections Account.

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

Transfer of Mortgage Loans to another Trust:

On any Distribution Date falling after the Clean-Up Date, a transfer to another trust established under the Master Trust Deed (which may include an Existing Disposing Trust) of some or all of the remaining Mortgage Loans may occur at the discretion of the Manager (the **Assignment Date**). The transfer price of those Mortgage Loans (if the Manager directs the Trustee to transfer those Mortgage Loans), together with any Adjustment Advance in relation to the Mortgage Loans, will at least equal either:

(a) the aggregate on the Assignment Date of the Invested Amount of the Notes plus accrued interest outstanding on the Notes; or

(b) if approved by an Extraordinary Resolution of all Noteholders, the aggregate on the Assignment Date of the Stated Amount of the Notes plus accrued interest outstanding on the Notes.

Further details on such a transfer of Mortgage Loans are contained in Sections 10.1.3 and 10.2.11.

Clean-Up Offer: If the aggregate principal amount outstanding on the Mortgage Loans which are Assets of the Series Trust on the last day of a Monthly Period, when expressed as a percentage of the aggregate principal amount outstanding on the Mortgage Loans which were Assets of the Series Trust as at the Issue Date, is below the Clean-Up Percentage, the Seller may elect to accept an offer by the Trustee to repurchase the remaining Mortgage Loans on any following Distribution Date. The repurchase price (if the Seller elects to repurchase the remaining Mortgage Loans) (the **Clean-Up Settlement Price**) will be their Fair Market Value. If the Clean-Up Settlement Price is not at least equal to the principal amount 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 10.2.10.

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 respective Mortgage Insurance Policies under which 38.05% of the Mortgage Loans are insured. The Mortgage Insurance Policies cover all principal and/or interest losses incurred (if any) on each insured Mortgage Loan. For further details on the Mortgage Insurance Policies, see Sections 5.24 and 8.

Excess Investor Revenues: The Noteholders' second level of protection is the monthly excess of the cash flow generated by the Mortgage Loans (after taking into account the operation of the swap under the Hedge Agreement) over the interest payments to be made on the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F 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 as follows:

(a) first, to be applied:

(i) first, towards the Liquidity Reserve in reimbursement of any Liquidity Draw made prior to that Distribution Date; and

(ii) second, towards the Liquidity Reserve until the balance of the Liquidity Reserve (including any part of the Liquidity Reserve then invested in Authorised Short-Term Investments) equals the Required Liquidity Amount on the preceding Determination Date (see Section 7.4.4(l));

(b) second, to reimburse any unreimbursed Principal Draws (see Sections 7.4.2 and 7.4.4(m));

(c) third, to reimburse the Defaulted Amount (see Section 7.5.3);

(d) fourth, to reimburse any unreimbursed Charge-Offs in relation to the Notes (see Section 7.6.3);

(e) fifth, if the Distribution Date is an Excess Revenue Reserve Distribution Date, an amount equal to the Required Excess Revenue Reserve Amount for that Excess Revenue Reserve Distribution Date will be allocated to the Excess Revenue Reserve (see Sections 7.4.4(p) and 7.5.6);

(f) sixth, in allocation towards the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve (including any part of the Extraordinary Expense Reserve then invested in Authorised Short-Term Investments) equals an amount equal to the Extraordinary Expense Reserve Target Balance on the preceding Determination Date (see Sections 7.4.4(q) and 7.5.8);

(g) seventh, in or towards payment *pari passu* and rateably of any Subordinated Termination Payments payable by the Trustee to a Hedge Provider in accordance with the relevant Hedge Agreement;

(h) eighth, to pay any Series Trust Expenses comprised of an Increased Costs Amount or an indemnity payment payable by the Trustee to the Redraw Facility Provider to the extent that the Increased Costs Amount or indemnity payment is in excess of the Senior Redraw Facility Expense Amount to the Redraw Facility Provider; and

(i) finally, any amount remaining will be paid to the Income Unitholder.

For a more detailed description of these cash flows, see Section 7.

Charge-Offs allocated first to Class F Notes, second to Class E Notes, third to Class D Notes, fourth to Class C Notes, fifth to Class B Notes, sixth to Class A2 Notes and finally to Class A1 Notes:

Class A1 Noteholders will have the benefit of Charge-Offs being allocated first to the Class F Notes, second to the Class E Notes, third to the Class D Notes, fourth to the Class C Notes, fifth to the Class B Notes and sixth to the Class A2 Notes. The Class A2 Noteholders will have the benefit of Charge-Offs being allocated first to the Class F Notes, second to the Class E Notes, third to the Class D Notes, fourth to the Class C Notes and fifth to the Class B Notes. The Class B Noteholders will have the benefit of Charge-Offs being allocated first to the Class F Notes, second to the Class E Notes, third to the Class D Notes and fourth to the Class C Notes. The Class C Notes will have the benefit of Charge-Offs being allocated first to the Class F Notes, second to the Class E Notes and third to the Class D Notes. The Class D Noteholders will have the benefit of Charge-Offs being allocated first to the Class F Notes and second to the Class E Notes. The Class E Noteholders will have the benefit of Charge-Offs being allocated to the Class F Notes.

That is, to the extent that there is a loss on a Mortgage Loan which is not satisfied by a claim under the Mortgage Insurance Policy corresponding to that Mortgage Loan or by application of Excess Investor Revenues, the amount of the loss will be allocated:

(a) first, *pari passu* and rateably to the Class F Notes, reducing the Stated Amount of the Class F Notes until their Stated Amount is zero;

(b) second, *pari passu* and rateably to the Class E Notes, reducing the Stated Amount of the Class E Notes until their Stated Amount is zero;

(c) third, *pari passu* and rateably to the Class D Notes, reducing the Stated Amount of the Class D Notes until their stated amount is zero;

(d) fourth, *pari passu* and rateably to the Class C Notes, reducing the Stated Amount of the Class C Notes until their stated amount is zero;

(e) fifth, *pari passu* and rateably to the Class B Notes, reducing the Stated Amount of the Class B Notes until their stated amount is zero; and

(f) sixth, *pari passu* and rateably to the Class A2 Notes, reducing the Stated Amount of the Class A2 Notes until their stated amount is zero; and

(g) finally, *pari passu* and rateably to the Class A1 Notes reducing the Stated Amount of the Class A1 Notes, until their Stated Amount is zero.

Collections Account: Immediately prior to the Issue 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 Collections Account must be maintained with an Eligible Depository.

If the Trustee becomes aware that the financial institution with which the Collections Account is held ceases to be an Eligible Depository, the Trustee must immediately 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.

As at the Issue Date the Collections Account is expected to be established with ANZ.

Liquidity Reserve: On the Issue Date the Trustee, on the direction of the Manager, will deposit part of the issue proceeds of the Notes equal to 0.8% of the aggregate principal amount outstanding on the Mortgage Loans which are Assets of the Series Trust as at the Issue Date into the Collections Account (the **Liquidity Reserve**).

The Liquidity Reserve is available to meet any Gross Liquidity Shortfall remaining after an Excess Revenue Reserve Draw has been made to satisfy such Gross Liquidity Shortfall.

The Liquidity Reserve can be reinstated to the extent required on a Distribution Date from Total Investor Revenues available for that purpose.

To the extent that the Liquidity Reserve exceeds the Required Liquidity Amount on a Distribution Date, it may be applied (as part of Adjusted Principal Collections) as Total Principal Collections (see Sections 7.5.1 and 7.5.2).

The Liquidity Reserve will be held in the Collections Account.

For further details see Section 7.5.7.

Extraordinary Expense Reserve:

The Trustee may, in certain circumstances, be unable to meet Extraordinary Expenses from funds available to be applied for such purposes in the Series Trust. Accordingly, an Extraordinary Expense Reserve will be established on the Issue Date, by a deposit by PNL of an amount equal to $150,000 (or such other amount notified by the Manager to the Trustee on or before the Issue Date) into the Collections Account (the **Extraordinary Expense Reserve**), to mitigate the risk of such liquidity deficiency if such Extraordinary Expenses arise.

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 to meet any Extraordinary Expenses;

(b) to be applied as Investor Revenues on termination of the Series Trust; or

(c) to be paid into a new or additional Collections Account, if such an account is opened.

For further details see Section 7.5.8.

Excess Revenue Reserve:

The Trustee will establish and maintain a separate ledger in the Collections Account to be known as the Excess Revenue Reserve to be applied towards any Gross Liquidity Shortfall on a Distribution Date. On each Distribution Date which is an Excess Revenue Reserve Distribution Date, the Trustee will allocate Total Investor Revenues in an amount equal to the Required Excess Revenue Reserve Amount for that Excess Revenue Reserve Distribution Date towards the Excess Revenue Reserve.

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

(a) to be applied as an Excess Revenue Reserve Draw to meet any Gross Liquidity Shortfall on a Distribution Date to the extent Total Investor Revenues are insufficient for this purpose;

(b) to be applied towards the Income Unitholder on termination of the Series Trust; or

(c) to be paid into a new or additional Collections Account (if any).

For further details, see Section 7.5.6.

Redraw Facility:

If Adjusted Principal Collections for a Monthly Period are insufficient to fully reimburse the Seller for Redraws made during that Monthly Period (and which are not reimbursed from Collections), the Trustee may be able to request an advance from the Redraw Facility Provider under the Redraw Facility up to a total aggregate amount equal to the un-utilised portion of the Redraw Facility Limit.

The Redraw Facility Limit is the lesser of:

(a) 1% of the aggregate Invested Amount of the Notes or such other amount as is agreed in writing from time to time between the Manager and the Redraw Facility Provider (and notified in writing to the Trustee and the Rating Agency); and

(b) the amount (if any) to which the Redraw Facility Limit has been reduced by the Manager in accordance with the terms of the Redraw Facility Agreement.

The provision of the Redraw Facility will be subject to normal credit criteria and a prescribed rate of interest will be charged.

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

PNL will be the initial Redraw Facility Provider.

For further details on the Redraw Facility, see Section 9.1.

Hedge Agreement

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 the Fixed Rate Swap with a Hedge Provider.

ANZ will be the initial Hedge Provider for the Fixed Rate Swap.

The Fixed Rate Swap will be governed by the terms of a Hedge Agreement to which the Trustee, the Manager and ANZ are parties.

For further details in relation to the Fixed Rate Swap, see Section 9.1.

Threshold Rate:

The Manager must, on each Distribution Date, determine the rate that is the minimum interest rate required to be set on Mortgage Loans which are subject to a variable rate, in order to cover, together with amounts to be received in respect of fixed rate Mortgage Loans, the Total Expenses of the Series Trust and notify the sum of that minimum interest rate and 0.25% per annum (the **Threshold Rate**) to the Trustee and the Servicer on each day that it is calculated.

The Servicer must ensure that the weighted average (rounded up to 4 decimal places) of the variable rates on the Mortgage Loans which have a

	variable rate of interest is at least equal to the Threshold Rate as determined by the Manager on each Determination Date.
Master Security Trust Deed and General Security Deed:	The obligations of the Trustee in respect of the Notes (among other obligations) are secured by a 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 9.3.

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 4.9. The Notes can only be transferred if the relevant offer or invitation to purchase (a) does not require disclosure to investors under Part 6D.2 of the Corporations Act and 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 (b) the transfer complies with any applicable laws in all jurisdictions in which the offer or invitation is made.
Austraclear:	Following issue, the Notes are expected to be lodged with Austraclear. For further details, see Section 4.10.
RBA repo eligibility:	The Manager intends, but is under no obligation, to make an application to the Reserve Bank of Australia (**RBA**) for the purposes of qualifying the Class A1 Notes and/or the Class A2 Notes as "eligible securities" that may be lodged as collateral in relation to a repurchase agreement entered into with the RBA. See further Section 5.21.
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:	Payments of principal and interest on the Notes will be reduced by any applicable withholding taxes. The Trustee is not obligated to pay any additional amounts to the Noteholders 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 Tax Act. The Sole Lead Manager has agreed with the Trustee to offer the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes (being the **IWT Notes**) for subscription or purchase in accordance with certain procedures intended to result in the public offer test being satisfied and the IWT 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 an IWT Note, or an interest in an IWT Note, was being, or would later be, acquired directly or indirectly by any Offshore Associates of the Trustee.

Accordingly, Offshore Associates of the Trustee should not acquire the IWT Notes (subject to the exceptions referred to in Section 12.2). For further information see Section 12.

The Manager has not directed the Trustee to, and the Trustee will not, issue the Class A1 Notes, the Class E Notes or the Class F Notes in a manner that will satisfy the "public offer test" set out in section 128F of the Tax Act and accordingly that exemption from interest withholding tax will not be available in respect of payments of interest on the Class A1 Notes, Class E Notes or the Class F Notes.

Further, payments of principal and interest on the Notes will be subject to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or the intergovernmental agreement between the United States and Australia facilitating the implementation thereof (or any law implementing such intergovernmental agreement). Any such amounts withheld or deducted will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on the Notes with respect to any such withholding or deduction.

In addition, under current tax law, tax will be deducted on payments to an Australian resident or a non-resident holding the Notes in carrying on a business at or through a permanent establishment in Australia who does not provide a Tax File Number or Australian Business Number (where applicable) or proof of an appropriate exemption from quoting such numbers.

Further information on potential withholding taxes is provided in Section 11. Noteholders and prospective Noteholders should obtain advice from their own tax advisers in relation to the tax implications of an investment in the Notes.

Selling Restrictions: The offering, sale and delivery of the Notes and the distribution of this Information Memorandum and other material in relation to the Notes are subject to restrictions and the relevant laws such as may apply in any jurisdiction in connection with the offering and sale of the Notes.

Governing Laws: The Transaction Documents will be governed by the laws of the State of New South Wales.

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3. Credit Rating

The Notes will not be issued unless the Class A1 Notes are assigned a long term credit rating of AAA(sf) by S&P, the Class A2 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, the Class D Notes are assigned a long term credit rating of BBB(sf) and the Class E Notes are assigned a long term credit rating of BB(sf) by S&P. The Class F Notes will not be rated.

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 Rating Agency is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, qualification or withdrawal at any time by the relevant Rating Agency. A revision, suspension, qualification or withdrawal of the credit rating of the Notes may adversely affect the market price of the Notes. In addition, the credit rating 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. The Rating Agency has not been involved in the preparation of this Information Memorandum.

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 Series Supplement, the Master Security Trust Deed and the General Security Deed.

The Notes have been divided into 7 classes: the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes with the allocation of principal between these 7 classes as described below (see Section 4.3.2). Prior to the enforcement of the Security in accordance with the Master Security Trust Deed and the General Security Deed:

(a) the Class A1 Notes rank equally amongst themselves and ahead of the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in respect of Interest;

(b) the Class A2 Notes rank equally amongst themselves and ahead of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in respect of Interest;

(c) the Class B Notes rank equally amongst themselves and ahead of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in respect of Interest;

(d) the Class C Notes rank equally amongst themselves and ahead of the Class D Notes, the Class E Notes and the Class F Notes in respect of Interest;

(e) the Class D Notes rank equally amongst themselves and ahead of the Class E Notes and the Class F Notes in respect of Interest; and

(f) the Class E Notes rank equally amongst themselves and ahead of the Class F Notes in respect of Interest.

Prior to the enforcement of the Security in accordance with the Master Security Trust Deed and the General Security Deed, if on any Determination Date the Manager determines that the Step-Down Criteria will not be satisfied, on the following Distribution Date (such determination to be made before taking into account any payments or allocations to be made on that following Distribution Date), on that following Distribution Date:

(a) the Class A1 Notes rank equally amongst themselves and ahead of the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in respect of principal;

(b) the Class A2 Notes rank equally amongst themselves and ahead of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in respect of principal;

(c) the Class B Notes rank equally amongst themselves and ahead of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in respect of principal;

(d) the Class C Notes rank equally amongst themselves and ahead of the Class D Notes, the Class E Notes and the Class F Notes in respect of principal;

(e) the Class D Notes rank equally amongst themselves and ahead of the Class E Notes and the Class F Notes in respect of principal; and

(f) the Class E Notes rank equally amongst themselves and ahead of the Class F Notes in respect of principal.

Prior to the enforcement of the Security in accordance with the Master Security Trust Deed and the General Security Deed, if on any Determination Date the Manager determines that the Step-Down Criteria will be satisfied on the following Distribution Date (such determination to be made before taking into account any payments or allocations to be made on that following Distribution Date), on that following Distribution Date principal payments will be made *pari passu* and rateably to the Class A1 Notes (to be applied *pari passu* and rateably amongst the Class A1 Notes), the Class A2 Notes (to be applied *pari passu* and rateably amongst the Class A2 Notes), the Class B Notes (to be applied *pari passu* and rateably amongst the Class B Notes), the Class C Notes (to be applied *pari passu* and rateably amongst the Class C Notes), the Class D Notes (to be applied *pari passu* and rateably amongst the Class D Notes), the Class E Notes (to be applied *pari passu* and rateably amongst the Class E Notes) and the Class F Notes (to be applied *pari passu* and rateably amongst the Class F Notes).

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

(a) the Class A1 Notes rank equally amongst themselves and ahead of the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in respect of Interest and principal;

(b) the Class A2 Notes rank equally amongst themselves and ahead of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in respect of Interest and principal;

(c) the Class B Notes rank equally amongst themselves and ahead of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in respect of Interest and principal;

(d) the Class C Notes rank equally amongst themselves and ahead of the Class D Notes, the Class E Notes and the Class F Notes in respect of Interest and principal;

(e) the Class D Notes rank equally amongst themselves and ahead of the Class E Notes and the Class F Notes in respect of Interest and principal;

(f) the Class E Notes rank equally amongst themselves and ahead of the Class F Notes in respect of Interest and 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 Issue Date and ceases to accrue interest from (and including) the earlier of:

(a) the date on which the Invested Amount of that 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 Issue Date and ends on (but does not include) the first Distribution Date (being 22 November 2021). 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

Subject to the paragraph below, the Interest Rate for an Interest Period in respect of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes is BBSW for the Interest Period plus the applicable Margin for that class of Notes.

If the Class A1 Notes or the Class A2 Notes have not been redeemed in full on or prior to the Clean-Up Date then the Margin payable on each of the Class A1 Notes or the Class A2 Notes, as applicable, during any Interest Period commencing on or after the Clean-Up Date will be the aggregate of the Margin applying to the Class A1 Notes or the Class A2 Notes, as applicable, immediately prior to Clean-Up Date plus 0.25% per annum. There will be no step-up in Margin for the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes.

The Margins for the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be determined on the Commitment Date by agreement between the Manager and the Sole Lead Manager. The Margins will be notified to prospective Noteholders by the Sole Lead Manager.

4.2.4 Calculation of Interest on the Notes

Interest on each class of Notes, is calculated for each Interest Period:

(a) on the Invested Amount of that class of Notes 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 class of Notes 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 Payments on each Distribution Date

If Total Investor Revenues are sufficient for this purpose, Interest on the Notes will be paid on each Distribution Date in arrears in respect of the Interest Period ending on that Distribution Date.

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 A1 Notes and any Interest in respect of the Class A1 Notes remaining unpaid from prior Distribution Dates. Only after the full amount of the Interest due in respect of the Class A1 Notes has been satisfied (including Interest on those Notes remaining unpaid from prior Distribution Dates) will Interest due in respect of the Class A2 Notes on the relevant Distribution Date and any Interest in respect of the Class A2 Notes remaining unpaid from prior Distribution Dates be paid *pari passu* and rateably. Only after the full amount of the Interest due in respect of the Class A1 Notes and the Class A2 Notes has been satisfied (including Interest on those Notes remaining unpaid from prior Distribution Dates) will Interest due in respect of the Class B Notes on the relevant Distribution Date and any Interest in respect of the Class B Notes remaining unpaid from prior Distribution Dates be paid *pari passu* and rateably. Only after the full amount of the Interest due in respect of the Class A1 Notes, the Class A2 Notes and the Class B Notes has been satisfied (including Interest on those Notes remaining unpaid from prior Distribution Dates) will the Interest due in respect of the Class C Notes on the relevant Distribution Date and any Interest in respect of the Class C Notes remaining unpaid from prior Distribution Dates be paid *pari passu* and rateably.

Only after the full amount of Interest due in respect of the Class A1 Notes, the Class A2 Notes, the Class B Notes and the Class C Notes has been satisfied (including Interest on those Class A1 Notes, Class A2 Notes, Class B Notes and Class C Notes remaining unpaid from prior Distribution Dates) will the Interest due in respect of the Class D Notes on the relevant Distribution Date and any Interest in respect of the Class D Notes remaining unpaid from prior Distribution Dates be paid *pari passu* and rateably. Only after the full amount of the Interest due in respect of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes has been satisfied (including Interest on those Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes and Class D Notes remaining unpaid from prior Distribution Dates) will the Interest due in respect of the Class E Notes on the relevant Distribution Date and any Interest in respect of the Class E Notes remaining unpaid from prior Distribution Dates be paid *pari passu* and rateably. Only after the full amount of the Interest due in respect of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes has been satisfied (including Interest on those Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes remaining unpaid from prior Distribution Dates) will the Interest due in respect of the Class F Notes on the relevant Distribution Date and any Interest in respect of the Class F Notes remaining unpaid from prior Distribution Dates be paid *pari passu* and rateably.

A failure to pay Interest on the Class A1 Notes within a specified period of time (see Section 9.3.2) will be an Event of Default under the Master Security Trust Deed and General Security Deed. The events of default and the remedies available to Noteholders are detailed in Sections 9.3.2 and 9.3.3. A failure to pay Interest on the Class A2 Notes will not be an Event of Default under the Master Security Trust Deed and General Security Deed while any Class A1 Notes are outstanding. A failure to pay Interest on the Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes will not be an Event of Default under the Master Security Trust Deed and General Security Deed while any Class A1 Notes or Class A2 Notes are outstanding. A failure to pay Interest on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes will not be an Event of Default under the Master Security Trust Deed and General Security Deed while any Class B Notes, Class A2 Notes or Class A1 Notes are outstanding. A failure to pay Interest on the Class D Notes will not be an Event of Default under the Master Security Trust Deed and General Security Deed while any Class C Notes, Class B Notes, Class A2 Notes or Class A1 Notes are outstanding. A failure to pay Interest on the Class E Notes will not be an Event of Default under the Master Security Trust Deed and General Security Deed while any Class D Notes, Class C Notes, Class B Notes, Class A2 Notes or Class A1 Notes are outstanding. A failure to pay Interest on the Class F Notes will not be an Event of Default under the Master Security Trust Deed and General Security Deed while any Class E Notes, Class D Notes, Class C Notes, Class B Notes, Class A2 Notes or Class A1 Notes are outstanding.

Interest will accrue on any unpaid Interest in relation to a Note at the Interest Rate that applies from time to time to that Note until, but excluding, the date on which that unpaid Interest (and Interest on it) is paid.

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 Section 7.

The Trustee or any person making payments on behalf of the Trustee may deduct interest withholding tax imposed by the Commonwealth of Australia from payments of interest in respect of the Notes where the Trustee, or such person, considers this is required in accordance with the Tax Act or make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature required by any applicable law. Neither the Trustee nor any person making payments on behalf of the Trustee will be obliged to make any additional payments to the Noteholders in respect of the relevant Notes in relation to that withholding or deduction.

4.2.6 BBSW Discontinuation

If the Manager determines that BBSW has been or will be affected by a Disruption Event, then the following provisions will apply:

(a) The Manager must:

(i) determine the Successor Rate;

(ii) determine an adjustment factor or an adjustment methodology to make such Successor Rate comparable to BBSW;

(iii) if it determines it to be appropriate, determine any successors to one or more of the inputs used for calculating the Successor Rate (such as but not limited to the determination date, the screen page or the definition of Business Day); and

(iv) issue a Ratings Affirmation Notice in respect of its determination of the Successor Rate in accordance with this Section 4.2.6 and any such other adjustments and successor inputs,

and such successor rate together, if applicable, with such other adjustments and successor inputs shall, from the date determined by the Manager to be appropriate, be used to determine BBSW (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Section 4.2.6).

(b) If, in respect of any date on which BBSW is to be determined, the Manager is unable to determine a Successor Rate in accordance with paragraph (a) above, BBSW in respect of:

(i) that Interest Period shall be BBSW as determined for the last preceding Interest Period; and

(ii) any subsequent Interest Period shall be determined in accordance with paragraph (a) above and, if necessary, this paragraph (b).

(c) In making its determinations in accordance with this Section 4.2.6, the Manager:

(i) must act in good faith and in a commercially reasonable manner; and

(ii) may appoint an independent financial institution or other independent adviser at the expense of the Series Trust or consult with such other sources of market practice as it considers appropriate,

but otherwise may make such determinations in its discretion.

4.3 Principal Repayments on the Notes

4.3.1 Final Redemption

Unless previously 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 October 2053 (or if such a day is not a Business Day, the next Business Day) (the **Maturity Date**).

4.3.2 Repayment of Principal on the Notes

On each Distribution Date in respect of which the Manager has determined that the Step-Down Criteria are not satisfied (before taking into account any payments or allocations to be made on that Distribution Date), to the extent that Total Principal Collections are sufficient for this purpose (after payment of prior ranking distributions of Total Principal Collections), the Total Principal Collections for that Distribution Date which are available for repayment of principal on the Notes will be applied:

(a) first, *pari passu* and rateably amongst the Class A1 Notes, until the Stated Amount of the Class A1 Notes is reduced to zero;

(b) second, *pari passu* and rateably amongst the Class A2 Notes, until the Stated Amount of the Class A2 Notes is reduced to zero;

(c) third, *pari passu* and rateably amongst the Class B Notes, until the Stated Amount of the Class B Notes is reduced to zero;

(d) fourth, *pari passu* and rateably amongst the Class C Notes, until the Stated Amount of the Class C Notes is reduced to zero;

(e) fifth, *pari passu* and rateably amongst the Class D Notes, until the Stated Amount of the Class D Notes is reduced to zero;

(f) sixth, *pari passu* and rateably amongst the Class E Notes, until the Stated Amount of the Class E Notes is reduced to zero;

(g) seventh, *pari passu* and rateably amongst the Class F Notes, until the Stated Amount of the Class F Notes is reduced to zero.

On each Distribution Date in respect of which the Manager has determined that the Step-Down Criteria are satisfied (before taking into account any payments or allocations to be made on that Distribution Date), to the extent that Total Principal Collections are sufficient for this purpose (after payment of prior ranking distributions of Total Principal Collections), the Total Principal Collections for that Distribution Date which are available for repayment of principal on the Notes will be applied *pari passu* and rateably:

(a) to the Class A1 Notes (*pari passu* and rateably amongst the Class A1 Notes) until the Stated Amount of the Class A1 Notes is reduced to zero;

(b) to the Class A2 Notes (*pari passu* and rateably amongst the Class A2 Notes) until the Stated Amount of the Class A2 Notes is reduced to zero;

(c) to the Class B Notes (*pari passu* and rateably amongst the Class B Notes) until the Stated Amount of the Class B Notes is reduced to zero;

(d) to the Class C Notes (*pari passu* and rateably amongst the Class C Notes) until the Stated Amount of the Class C Notes is reduced to zero;

(e) to the Class D Notes (*pari passu* and rateably amongst the Class D Notes) until the Stated Amount of the Class D Notes is reduced to zero;

(f) to the Class E Notes (*pari passu* and rateably amongst the Class E Notes) until the Stated Amount of the Class E Notes is reduced to zero; and

(g) to the Class F Notes (*pari passu* and rateably amongst the Class F Notes) until the Stated Amount of the Class F Notes is reduced to zero.

The allocation of Total Principal Collections to the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes is explained in Section 7.5.2. The method for calculating whether there are sufficient Total Principal Collections available on a Distribution Date for the payment of principal on the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes is set out in Section 7.5.1.

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, Invested 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 and on giving not less than 5 Business Days' notice to the Noteholders, redeem all (but not some only) of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on any Distribution Date falling after the Clean-Up Date.

Any redemption of a Note in accordance with the foregoing must be at the aggregate of the then Invested Amount of that Note and the Interest payable on that Note or otherwise the aggregate Stated Amount of that Note (rather than the Invested Amount) if all Noteholders have approved the redemption at the Stated Amount by an extraordinary resolution. 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.

4.3.5 No Payment in Excess of Stated Amount

No amount of principal will be paid to a Noteholder in excess of the Stated Amount applicable to the Notes held by that Noteholder (other than in accordance with the Master Security Trust Deed).

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;

(c) payment to a bank account in Australia nominated in writing by the Noteholder; or

(d) any other manner 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 cent (half a cent or more being rounded upward).

4.5 Reporting of Pool Performance Data

The Manager will on each Determination Date send:

(a) to the Trustee, the Monthly Certificate; and

(b) to the Rating Agency, such information as it requires from the Monthly Certificate,

which must in each case include the Pool Performance Data.

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 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 Business Days prior to each Distribution Date (or such other 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 Business Day immediately following each Distribution Date.

The Register may be inspected by a Noteholder, during at any time the Trustee's registered office is required under the Corporations Act to be accessible to the public. 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 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 does not require disclosure to investors under Part 6D.2 of the Corporations Act and 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 transfer complies with any applicable laws in all jurisdictions in which the offer or invitation is made; and

(b) 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 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 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 Business Day in Sydney the Note Transfer will not take effect until the next 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 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 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 that 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.

4.11 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 9.3), 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 Manager or the Trustee in their dealings with the Series Trust or any Asset of the Series Trust;

(b) require the transfer to it of any Asset of the Series Trust;

(c) attend meetings, 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 the Servicer, the Trustee 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 or the Security Trustee to comply with their respective obligations under the Master Trust Deed and the Series Supplement (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, respectively, the Trustee's fraud, gross negligence or wilful misconduct or the Manager's fraud, negligence or wilful default; or

(k) have any recourse to the Seller or the Servicer in respect of a breach by the Seller or the Servicer of their respective obligations under any Transaction Document.

4.12 Notices to Noteholders

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

(a) advertisement placed on a Business Day in The Australian Financial Review (or other nationally delivered newspaper); or

(b) mail, postage prepaid, to the address of the Noteholder as shown in the Register. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the Noteholder actually receives the notice.

4.13 Joint Noteholders

Where Notes are held jointly, any notices in relation to the Notes which are sent by mail 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.

5. Some Risk Factors

The purchase, and subsequent holding, of the Notes is not free of risk. The Manager believes that 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, the 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 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 10.3.11).

5.2 Secondary Market Risk

There is currently no secondary market for the Notes. There is no assurance that 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 of the representations and warranties made by the Seller in respect of that Mortgage Loan were incorrect when given (see Sections 10.2.4 and 10.2.7);

  (ii) the Seller making a Further Advance under a Mortgage Loan which causes the Scheduled Balance for that Mortgage Loan to be exceeded by more than 1 scheduled monthly instalment, providing an additional feature in relation to a Mortgage Loan or for any similar purpose (see Section 10.2.8);

  (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);

(iv) the Seller exercising its option to repurchase the balance of the Mortgage Loans after the Clean-Up Date (see Section 10.2.10); or

(v) 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;

(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 retail home loans. There is no definitive view as to whether the standards and practices of a prudent lender in the business of making retail home 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 Seller, 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;

(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 9.1 for a description of the Redraw Facility). This may slow the rate of prepayment on the Mortgage Loans;

(g) the mortgage which secures a Mortgage Loan may also secure other financial accommodation provided by the Seller. If the mortgagor is in default under that other financial accommodation and the Seller enforces the relevant mortgage, the proceeds of enforcement will be made available to the Trustee (in priority to the Seller) for repayment of the Mortgage Loan. This may in turn result in the relevant Mortgage Loan being prepaid earlier than would otherwise be the case. This may occur notwithstanding there being no default under the Mortgage Loan;

(h) exercise by the Manager of the discretion to transfer the Mortgage Loans to another series trust established under the Master Trust Deed after the Clean-Up Date; and

(i) the Series Trust contains a high concentration of Mortgage Loans secured by properties located within the state of Western Australia. Any deterioration in the real estate values in or the economy of any Australian state, territory or region, and any deterioration in Western Australia in particular, could result in higher rates of delinquencies, foreclosures and losses than expected on the Mortgage Loans. In addition, Western Australian, or any other Australian states or regions, may experience natural disasters or acts of war or terrorism, 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 Noteholders to suffer losses.

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 banking practice, the Servicer does not consider such a Mortgage Loan to be in arrears until such time as the actual principal amount outstanding 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 above situation arises, or if the Trustee otherwise has insufficient funds to pay Interest on the Notes because the above situation has occurred, the Trustee may be entitled to make an Excess Revenue Reserve Draw, a Liquidity Draw and/or a Principal Draw for the amount of the deficiency (as to which, see Section 7.4.2). The Trustee's ability to make an Excess Revenue Reserve Draw, a Principal Draw and/or a Liquidity Draw mitigates 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 and, if and to the extent available, money available to be drawn under the Liquidity Reserve and/or Excess Revenue Reserve (see Sections 7.5.6 and 7.5.7).

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 6.9.1). 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 the Mortgage Insurance Policies (see Sections 5.24 and 8) or the availability of the Excess Revenue Reserve or the Liquidity Reserve (see Sections 7.5.6 and 7.5.7).

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 Affirmation Notice in relation to the appointment and the substitute Servicer has executed a deed under which it agrees to service the Mortgage Loans and related securities upon the same terms as originally agreed to by the Servicer. 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 act as the substitute Servicer, and will continue to act in this capacity until a suitable substitute Servicer is found.

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

5.7 Assignment and risks of 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 10.2.13), 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 10.2.13 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 Mortgage Loan Rights; 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.

5.8 Set-Off

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 the order 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 9.3). 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 Representation and Warranty

The Seller makes certain representations and warranties as at the Cut-Off Date to the Trustee in relation to the Seller Mortgage Loans and the Trustee will have the benefit of certain representations and warranties in relation to the Existing Disposing Trust Mortgage Loans made by the Seller to each Existing Disposing Trust in relation to the Existing Disposing Trust Mortgage Loans when the Existing Disposing Trust Mortgage Loans were first assigned by the Seller to that Existing Disposing Trust (see Section 10.2.4).

The Trustee has not investigated or made any enquiries regarding the accuracy of the representations and warranties. Under the Master Sale and Servicing Deed, 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 10.2.6). The Seller has agreed in the Master Sale and Servicing Deed to repurchase any 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 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, unless such breach is remedied to the satisfaction of the Trustee within five Business Days of such notice being given. If the Trustee discovers that a representation and warranty was incorrect when given in relation to a 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 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 being incorrect are described in more detail in Section 10.2.7.

As all of the Existing Disposing Trust Mortgage Loans in the Mortgage Loan Pool were first assigned by the Seller to one of the Existing Disposing Trusts, the Prescribed Period may have lapsed before the Issue Date in respect of some or all of the Existing Disposing Trust Mortgage Loans in the Mortgage Loan Pool.

5.11 Interest Rate Risks and the Hedge Agreement

To provide a hedge against the fixed rates payable on the fixed rate Mortgage Loans and the rate of interest payable by the Trustee, the Trustee will exchange payments calculated by reference to the weighted average fixed rate charged on the fixed rate Mortgage Loans for variable rate payments based on the Bank Bill Rate. If the Fixed Rate Swap is terminated or the Hedge Provider for the Fixed Rate Swap fails to perform its obligations, Noteholders will be exposed to the risk that the floating rate of interest payable on the Notes will be greater than the discretionary fixed rate set by the Servicer on the fixed rate Mortgage Loans, which may lead to losses on the Notes.

5.12 Termination Payments on the Hedge Agreements

If the Trustee is required to make a termination payment to a Hedge Provider upon the termination of a Hedge Agreement, the Trustee (as directed by the Manager) will make the termination payment from the Assets of the Series Trust. Prior to an Event of Default under the Security Trust Deed and provided that a Fixed Rate Swap Default Event has not occurred, that payment to the Hedge Provider will be made prior to any payment of interest on any of the Notes. Thus, there may not be sufficient funds remaining to pay interest on the Notes on the next relevant Distribution Date and the principal on the Notes may not be repaid in full.

5.13 Governing Law of the Transaction Documents

Each of the Transaction Documents is governed by the laws of New South Wales and the parties to the Transaction Documents have agreed, and the Noteholders are deemed to have agreed, to the jurisdiction of the courts of New South Wales with respect to legal action arising under the Transaction Documents and have waived any objection to such a proceeding on the grounds that it is brought in an inconvenient forum.

5.14 U.S. Foreign Account Tax Compliance withholding may affect payments on the Notes

Whilst the Notes are held within the Austraclear system, in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (FATCA) will affect the amount of any payment received by Austraclear. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Trustee's payment obligations under the Notes are discharged once it has made payment to, or to the order of, Austraclear and the Trustee therefore has no responsibility for any amount thereafter transmitted through the Austraclear system and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an IGA) are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make. Prospective investors should refer to Section 12.

5.15 Ratings of the Notes do not ensure their payment and withdrawal of any ratings may affect the value of the Notes

It is a condition to the issuance of the Notes that the Class A1 Notes are rated AAA(sf) by S&P, the Class A2 Notes are rated AAA(sf) by S&P, the Class B Notes are rated AA(sf) by S&P, the Class C Notes are rated A(sf) by S&P, the Class D Notes are rated (BBB(sf) and the Class E Notes are rated BB(sf) by S&P. The Class F Notes will not be rated.

A rating is not a recommendation to purchase, hold or sell the Notes, inasmuch as such rating does not address the market price or the suitability for a particular investor of a security. The rating of the Notes addresses the likelihood of the payment of principal and interest on the Notes pursuant to their terms. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a Rating Agency, if in its judgment circumstances in the future so warrant. The ratings of the Notes will be based primarily on the creditworthiness of the Mortgage Loans, the availability of excess interest Collections after payment of interest on the Notes and the Series Trust's expenses and the creditworthiness of the swap providers. The ratings may not reflect the potential impacts of all risks discussed in this Section 5.

5.16 Investment in the 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 or payment 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, like 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 or pay out their receivables as a result of lower interest rates, Noteholders will receive unscheduled payment of principal. As a result, Noteholders are likely to receive more money to reinvest at a time when other investments generally are producing a lower yield than that on the Notes and are likely to receive less money to reinvest when other investments generally are producing a higher yield than that on the Notes. Noteholders will bear the risk that the timing and amount of distributions on the Notes will prevent Noteholders from attaining the desired yield.

5.17 A decline in Australian economic conditions may lead to losses on your Notes

The obligors in respect of the Mortgage Loans are located in Australia. As a consequence, if the Australian economy were to experience a decline in economic conditions, an increase in inflation or an increase in interest rates or any combination of these factors, delinquencies or losses on the Mortgage Loans might increase, which might cause losses on the Notes.

5.18 Third party security interests

If the Seller breaches its contractual obligations, through inadvertence or otherwise, and as a result of that breach a third party acquires:

(a) an interest in any Mortgage Loan Rights, under the PPS Act the third party would acquire that interest free of any interest of the Trustee in the Mortgage Loan Rights if that acquisition was made for value and any security interest held by the Trustee in relation to the Mortgage Loan Rights was not perfected for the purposes of the PPS Act at the time of the acquisition; or

(b) a perfected security interest in any Mortgage Loan Rights, under the PPS Act the third party's security interest would rank in priority to any security interest held by the Trustee in relation to the Mortgage

Loan Rights if at the time of perfection of the third party's security interest, the Trustee's security interest was not perfected.

For the purpose of protecting the Trustee's interests and security interests in the Mortgage Loans, each of the Seller, the Servicer and the Manager has agreed to do all things reasonably necessary to permit any security interest held by the Trustee in relation to the Mortgage Loan Rights to be perfected by registration on the PPS Register. However, if such registration is not completed or is completed incorrectly, the Trustee's security interest in relation to a Mortgage Loan Right will not be perfected and a third party will be able to take an interest in that Mortgage Loan Right free of any interest held by the Trustee or take a security interest which ranks in priority to any security interest of the Trustee.

5.19 Lower Ranking Notes provide only limited protection against losses

The amount of credit enhancement provided through the subordination of the lower ranking Notes to the higher ranking Notes is limited and could be depleted prior to the payment in full of the higher ranking Notes. If the Stated Amount of the lower ranking Notes is reduced to zero, higher ranking Noteholders may suffer losses on their Notes.

5.20 The use of Principal Collections to cover liquidity shortfalls may lead to principal losses

If Principal Collections are drawn upon to cover shortfalls in Investor Revenues and there are insufficient Investor Revenues in succeeding Monthly Periods to repay any Principal Draws, Noteholders may not receive full repayment of principal on their Notes.

5.21 Noteholders may not be able to repo their Notes with the Reserve Bank of Australia

Notwithstanding that the Manager has expressed an intention to make an application to the Reserve Bank of Australia (**RBA**) for the purposes of ensuring that the Class A1 Notes and/or Class A2 Notes are accepted as "eligible securities" for the purposes of repurchase agreements with the RBA, there is no certainty (and no person guarantees) that such an application will be successful or, assuming that the application is successful, that the Manager will be able to maintain the "eligible securities" status of the Class A1 Notes and/or Class A2 Notes.

If such an application is successful and the Class A1 Notes and/or Class A2 Notes are accepted by the RBA as "eligible securities", Class A1 Noteholders and/or Class A2 Noteholders should be aware that:

(a) certain holders of Class A1 Notes and/or Class A2 Notes may not be entitled to access the RBA’s repurchase arrangements on the basis that they are not considered by the RBA to be an "eligible counterparty". Prospective investors should consult their own advisers as to whether they would qualify as an "eligible counterparty";

(b) certain holders of Class A1 Notes and/or Class A2 Notes may be considered by the RBA to be a "related counterparty" on the basis that they are related to or provide facilities to the structure that issues, or are otherwise involved in the issue of, the Class A1 Notes and/or Class A2 Notes. The RBA sets out on its website examples of the types of activities which, if undertaken by a holder of the Class A1 Notes and/or Class A2 Notes, would result in it being classified as a "related counterparty". "Related counterparties" may not be entitled to access the RBA’s repurchase arrangements or may be subject to adverse adjustments in the applicable margin ratio. Prospective investors should consult their own advisers as to whether they would qualify as an "related counterparty"; and

(c) the RBA implemented a reporting regime in respect of asset-backed securities from 30 June 2015 and it applies to the Class A1 Notes and Class A2 Notes. Failure by the Manager to comply with the reporting regime may mean that the Class A1 Notes and/or Class A2 Notes will cease to be "eligible securities"; and

(d) the RBA's rules and policy (including in relation to repurchase agreements, "eligible securities", "eligible counterparties" and "related counterparties") is subject to change without notice.

Accordingly, there is no certainty (and no person guarantees) that Noteholders will be entitled to use any of their Notes as collateral in relation to a repurchase agreement entered into with the RBA.

5.22 Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes

In Australia, Europe, the United States, Japan and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures (including, without limitation, the EU Securitisation Regulation and the UK Securitisation Regulation and the Japanese Risk Retention Rule) for increased regulation which may have an adverse impact on the regulatory position for certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities.

Prospective investors in the Notes are responsible for analysing their own regulatory position and should consult with their own legal and investment advisors regarding the potential impact on them and the related compliance issues. None of the Trustee, the Manager, the Sole Lead Manager or PNL makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

Neither PNL nor any other entity has committed to retain a material net economic interest in relation to this transaction. As a result, prospective investors required to comply with the EU Securitisation Regulation, the UK Securitisation Regulation or the Japan Due Diligence and Retention Rules seeking to invest in the Notes (on issue or at any time thereafter) will be unable to satisfy such risk retention and due diligence requirements in respect of such investment.

5.23 Insolvency proceedings and subordination provisions

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called "**flip clauses**"). Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of Subordinated Termination Payments.

The English Supreme Court has held that a flip clause as described above is valid under English law. Contrary to this, however, the US Bankruptcy Court has held (in the **BNY decision**) that such a subordination provision is unenforceable under US bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a US bankruptcy of the counterparty. While the U.S. Bankruptcy Court subsequently rejected certain findings of the BNY decision in Lehman Brothers Special Financing Inc. v Bank of America National Association, etc al (In re Lehman Brothers Holdings Inc.) (case no. 10-03547 (Bankr. S.D.N.Y.)) and this 2016 decision was affirmed by the U.S. District Court in 2018, aspects of the BNY decision remain relevant and, in particular, it continues to be the case that certain flip clauses may constitute an unenforceable ipso facto clause. The implications of the conflict remain unresolved at this time. Further, Australia has recently introduced legislation that makes certain ipso facto clauses unenforceable – see Section 5.30 for further discussion.

If a creditor of the Trustee (such as the Hedge Provider) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the United States), and it is owed a payment by the Trustee, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the New South Wales law governed Transaction Documents (such as a provision of the priority of payments which refers to the ranking of the Hedge Provider's payment rights in respect of Subordinated Termination Payments). In particular, based on the decision of the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy laws. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as the Hedge Provider, including US established entities and certain non-US established entities with assets and/or operations in the US (although the scope of any such proceedings may be limited if the relevant non-US entity is a bank with a licensed branch in a US state). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Trustee to satisfy its obligations under the Notes.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of Subordinated Termination Payments, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to the Notes is lowered, the market value of the Notes may reduce.

5.24 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 8.1). 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 10.2.7) or for breach of its obligations as Servicer (see Section 10.5.4).

5.25 Personal Property Securities Regime

A personal property securities regime commenced operation throughout Australia on 30 January 2012 pursuant to the Personal Property Securities Act 2009 (Cth) (**PPS Act**). The PPS Act adopts a "functional approach" to security interests. This means that the PPS Act regulates any interest in relation to personal property that, in substance, secures payment or performance of an obligation. In addition, the PPS Act regulates security interest 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 PPS Act does not regulate the granting of security interests in land.

Generally, in order to be perfected under the PPS Act, a security interest should be registered on the register maintained pursuant to the PPS Act (the **PPS register**). If, as a result of human or systemic error a security interest in personal property is not registered on the PPS register, there is a risk that the intended priority will not be attained and that other persons with competing interests in the personal property may take free of that security interest because it will not have been perfected. In addition, if the security interest is unperfected, the holder of the security interest or the owner of the personal property may not be able to enforce that security interest or claim title to the personal property (as the case may be) if the other security provider becomes insolvent. Additionally, as the personal property security regime is new to the Australian security landscape, there is 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 will be 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 Secured Property to the Security Trustee, and each of PNL, the Servicer and the Manager will 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 PPS Act, there can be no assurance that such actions will be successful in achieving such perfection.

The PPS Act was the subject of statutory review which concluded in 2015. The terms of reference for this review were generally aimed at simplification and clarification of certain aspects of the PPS Act. The final report prepared pursuant to this review was released publicly in March 2015. At this stage, there is uncertainty as to whether any or all of the recommendations made by the review will ultimately be adopted and result in changes to the PPS Act and, if ultimately adopted, the timing and impact of such changes.

5.26 Tax Reforms Proposals

Attention is drawn to the tax reform proposals discussed in Section 12.

5.27 Anti-Money Laundering

The Australian Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (the **AML/CTF Act**) may require an entity providing a financial service to cease providing that service. This ultimately may result in a delay or decrease in payments on the Notes. The AML/CTF Act regulates reporting entities. Reporting entities are identified by reference to a list of various designated services. These include making a loan in the course of carrying on a loans business or the issuing or selling of a security (e.g., a share or debenture) by a company other than a security in the company itself.

The AML/CTF Act imposes the following key obligations (among others) on reporting entities:

(a) the verification of customer identities and collection of account holder information;

(b) the reporting of suspicious transactions, significant cash transactions (being transfers of A$10,000 or more) and international funds transfer instructions;

(c) the retention of records;

(d) the adoption of and compliance with an AML/CTF Act programme in managing compliance with their AML/CTF Act obligations and in verifying customer identities; and

(e) the conduct of ongoing due diligence of customers in relation to money laundering and financing of terrorism risks.

The AML/CTF Act operates subject to the Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) (the **AML/CTF Rules**) and any other Anti-Money Laundering and Counter-Terrorism Financing rules which may be made by the Chief Executive Officer of the Australian Transaction Reports and Analysis Centre from time to time. Among other things, the AML/CTF Rules outline more detailed risk-based requirements for verifying customer identities and monitoring customer transactions on an ongoing basis. Contravention of the AML/CTF Act attracts certain civil and criminal penalties including significant monetary fines and imprisonment.

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.

5.28 Sanctions

Payments by an Australian resident (which includes the Trustee) to, or transfers to, or dealings with, by the order of, or on behalf of, certain proscribed entities, persons or assets are prohibited or restricted under relevant Australian legislation and regulations:

(a) under the Australian Charter of United Nations Act 1945 (Cth), sanctions imposed by the United Nations Security Council, including under United Nations Security Council Resolutions regarding terrorism, are implemented into Australian law. It is a criminal offence to make assets available to, or deal with assets owned or controlled by, persons or entities designated or proscribed by the United Nations Security Council or the Minister of Foreign Affairs without authorisation from the Department of Foreign Affairs;

(b) under Sections 102.6 and 102.7 of the Australian Criminal Code (Cth), a person commits a criminal offence if the person intentionally receives funds from, makes funds available to, or provides support or resources to a terrorist organization. Certain organizations are prescribed as terrorist organizations in the Australian Criminal Code Regulations 2002 (Cth); and

(c) under the Australian Autonomous Sanctions Act 2011 (Cth) and the Australian Autonomous Sanctions Regulations 2011 (Cth), sanctions are imposed against certain specifically identified persons and entities associated with particular countries, currently including North Korea, Zimbabwe, the former Yugoslavia, Myanmar, Syria, Libya, Iran, Russia and Ukraine, and certain transactions involving the named persons or entities may only be conducted with specific approval from the Minister of Foreign Affairs. Contravention of these sanctions constitutes a criminal offence.

Proscribed entities, persons and assets are subject to change from time to time.

5.29 Consumer credit protection regime

Some of the borrowers may attempt to make a claim to a court requesting changes in the terms and conditions of their Mortgage Loans or compensation or penalties for breaches of any legislation relating to consumer credit. Any changes which allow the borrower to pay less principal or interest under his or her Mortgage Loan, or to delay such payments, may delay or decrease the amount of payments on the Notes.

In addition, the Trustee is subject to the penalties and compensation provisions of the applicable consumer protection laws. The Trustee has a limited indemnity from the Manager in respect of such liabilities. To the extent that the Trustee is unable to recover any such liabilities under the consumer protection laws from the Manager, the Assets of the Series Trust will be used to indemnify the Trustee prior to payments on the Notes. This may delay or decrease the amount of Collections available to make payments on the Notes.

Unfair Terms

The terms of the Mortgage Loans may be subject to review for being “unfair” under Part 2 of the Australian Securities and Investments Commission Act 2001 (Cth) (the **ASIC Act**).

The ASIC Act sets out a national unfair terms regime in respect of financial products and services that applies to (i) standard form consumer contracts entered into or varied on or after 1 July 2010, or (ii) standard form small business contracts entered into or varied on or after 12 November 2016.

Under the ASIC Act, unfair terms in standard form consumer contracts and small business contracts will be void. However, a contract will continue to bind the parties to the contract to the extent that the contract is capable of operating without the unfair term. Relevantly Mortgage Loans will be considered standard form contracts.

Under the ASIC Act, a term of a standard form 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. Therefore, the effect of this provision will depend on the actual term of the contract that was declared unfair.

Any determination by a court or tribunal that a term of a Mortgage Loan is void under the ASIC Act due to it being unfair may adversely affect the timing or amount of any payments thereunder (which might in turn affect the timing or amount of interest or principal payments under the Notes).

On 6 November 2020, the Commonwealth, state and territory consumer affairs minsters announced that they would strengthen unfair contract terms laws including by creating civil penalties for breaches of those laws. Exposure draft legislation was released on 23 August 2021 and the consultation process was completed on 20 September 2021.

Consumer Credit

The National Consumer Credit Protection Act 2009 (**NCCP Act**), which includes a new National Credit Code (**National Credit Code**), commenced operation on 1 July 2010. The National Credit Code applies (with some limited exceptions) to Mortgage Loans that had previously been regulated under the Consumer Credit Code and also to all new Mortgage Loans made after 1 July 2010. The NCCP Act incorporates a requirement for providers of credit related services to hold an "Australian credit licence", and to comply with "responsible lending" requirements, including a mandatory "unsuitability assessment" before a loan is made or there is an agreed increase in the amount of credit under a Mortgage Loan. Obligations under the NCCP Act extend to the Trustee and the Manager in respect of any Mortgage Loans which are Assets of the Series Trust and to their respective service providers in respect of those Mortgage Loans.

Under the terms of the National Credit Code, the Trustee would be a "credit provider" with respect to Mortgage Loans which are Assets of the Series Trust, and as such is exposed to civil and criminal liability for certain violations. These include violations caused in fact by the Servicer. The Servicer has given a limited indemnity to the Trustee for certain civil or criminal penalties in respect of National Credit Code violations caused by the Servicer. There is no guarantee that the Trustee will have the financial capability to pay any civil or criminal penalties which arise from National Credit Code violations.

Additionally, any person who engages in credit activities is required to comply with certain "responsible lending" obligations which would generally oblige the Seller to provide a prospective borrower with a copy of its credit guide and to make a determination as to whether the relevant credit product is not unsuitable for the borrower.

If the Trustee perfects its legal title to a Mortgage Loan, the Trustee, rather than the Seller, will be considered as the person who is engaging in credit activity in respect of that Mortgage Loan. Accordingly, obligations previously imposed by the NCCP, including the National Credit Code, upon the Seller will be imposed upon the Trustee (including as to licensing) and the paragraphs below should be read in this context.

Remedies available to borrowers

The NCCP provides certain non-contractual remedies to borrowers. Specifically, in addition to any contractual remedies which may be available to a borrower, in certain circumstances a borrower may have a right under the NCCP to apply to a court to:

(a) vary the contractual terms applicable to that Mortgage Loan on the grounds of financial hardship;

(b) vary the terms of the relevant Mortgage Loan on the grounds that those terms are unjust;

(c) reduce or cancel any interest rate or finance charge payable in respect of the relevant Mortgage Loan on the grounds that the interest rate or finance charge has increased in accordance with the terms of the contract to a rate or amount which is unconscionable;

(d) have certain provisions of the relevant Mortgage Loan which are in breach of the legislation declared void or unenforceable;

(e) obtain restitution or compensation from the Seller in relation to any breach of the National Credit Code in relation to the Mortgage Loan; or

(f) seek various other remedies for breaches of the NCCP.

Any order made under any of the above consumer credit laws may affect the timing or amount of principal repayments under the relevant Mortgage Loans which may in turn affect the timing or amount of payments by the Trustee when due.

Breaches of the NCCP may also lead to civil penalties or criminal fines being imposed on the Seller or, if it has perfected its legal title to the relevant Mortgage Loan, the Trsutee. Any such civil penalties or criminal fines imposed upon the Trustee will be repayable to the Trustee out of the assets of the Trust as expenses of the Trust and may adversely affect the timing or amount of any payments thereunder (which might in turn affect the timing or amount of interest or principal payments on the Notes).

5.30 Ipso Facto Moratoriums

In September 2017, the Australian government passed legislation (as set out in the Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017) (the **Ipso Facto Act**) intended to implement certain reforms to Australian insolvency laws, including introducing into Australian insolvency law a new regime in respect of so-called "ipso facto" clauses (being, any right under a contract, agreement or arrangement arising merely because a company, among other circumstances, is under administration, has appointed a managing controller or is the subject of an application to the Court (or announced an intention to make such application) to convene a meeting of creditors to propose a compromise or arrangement in respect of its debts). Under the new regime, any such ipso facto clause will not be enforceable during a prescribed stay period. The duration of the applicable prescribed stay period will vary depending upon the circumstances giving rise to the stay, but it will generally continue until the relevant circumstance has been resolved (for example, when the administration of the company has ended, the managing controller has ceased to control the company or the application to the Court to convene a meeting of creditors is withdrawn or dismissed). Courts also have discretion to extend or shorten the applicable stay period in certain circumstances.

The Ipso Facto Act took effect on 1 July 2018 and applies to "ipso facto" rights arising under contracts, agreements or arrangements entered into at or after that date, subject to certain exclusions. On 21 June 2018, the Australian Government introduced the Corporations Amendment (Stay on Enforcing Certain Rights) Regulations 2018 (the Ipso Facto Regulations) which sets out the types of contracts that will be excluded from the operation of the stay on the enforcement of ipso facto rights. The Ipso Facto Regulations provide that the following will be exempt from the moratorium:

(a) a contract, agreement or arrangement that is, or governs securities, financial products, bonds or promissory notes;

(b) a contract, agreement or arrangement under which a party is or may be liable to subscribe for, or to procure subscribers for, securities, financial products, bonds or promissory; and

(c) a contract, agreement or arrangement that involves a special purpose vehicle, and that provides for securitisation.

As the Ipso Facto Act and the Ipso Facto Regulations are new to the insolvency regime in Australia, they have not been the subject of judicial interpretation. If the Ipso Facto Regulations are determined not to exclude the Notes or certain other arrangements relating to the Programme from their operation under the exclusion mentioned above or any other exclusion under the Ipso Facto Regulations, this may render unenforceable in Australia provisions of the Notes and the Transaction Documents conditioned solely on the occurrence of events giving rise to ipso facto rights.

5.31 Discontinuance of, or change to the methodology for, BBSW may result in reduced liquidity and/or losses on the Notes

Interest rate benchmarks (such as BBSW and other interbank offered rates) are the subject of national and international proposals for reform. In relation to BBSW, recent reforms include the replacement of the Australian Financial Markets Association as BBSW administrator with ASX Limited and the publication of the ASX BBSW Trade and Trade Reporting Guidelines (which are subject to change from time to time). Additionally, the Corporations Act has been amended to, among other things, establish a licensing regime for administrators of significant financial benchmarks (including BBSW) and enable ASIC to make rules relating to the generation and administration of such benchmarks. ASIC issued the ASIC Financial Benchmark (Administration) Rules 2018 and Regulatory Guide 268 – Licensing regime for financial benchmark administrators in June of 2018.

While such reforms are intended to ensure that BBSW remains a robust benchmark, there is a risk that the BBSW may cease to exist or that the methodology used to calculate it is changed in a material manner. Rates based on BBSW are used to determine the amount of interest payable on the Notes and amounts payable by the Hedge Provider to the Trustee under the Hedge Agreement. If BBSW is unavailable for these purposes, investors should be aware that the fallback regimes applicable for determining the amount of interest payable on the Notes and amounts payable by the Hedge Provider to the Trustee under the Hedge Agreement may not be the same and that the Trustee may therefore not be fully hedged. Noteholders may suffer a loss in such circumstances. In this regard, investors should be aware that the Reserve Bank of Australia, with the support of the Australian Prudential Regulation Authority and ASIC, has also recently urged Australian institutions to adhere to the 2020 IBOR Fallbacks Protocol and associated Supplement to the 2006 ISDA Definitions which were launched by the International Swaps and Derivatives Association on the 23 October 2020. If one of these alternative methods of calculating the benchmark reference rate for Australian securitisation transactions becomes standard and does not apply to the Notes (which currently reference 1 month BBSW), this could have a material adverse effect on the value and/or liquidity of the Notes.

At this stage, it is not possible to comment on the scope, nature and effect of further changes affecting global interest rate benchmarks and associated market practices or the discontinuance of BBSW, and accordingly the consequences of those initiatives is unknown at this time. However, it is possible that such changes could have a material adverse effect on the value and liquidity of the Notes.

5.32 The COVID-19 pandemic may adversely affect investors in the Notes

The COVID-19 pandemic has caused, and will likely continue to cause, severe impact on global, regional and national economies and disruptions to international trade and business activity. The COVID-19 pandemic has already caused increased unemployment and the levels of equity and other financial markets to decline sharply and to become more volatile, and such effects may continue or worsen in the future.

Governments and central banks around the world have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programs and cutting interest rates, however it is unclear whether these actions or any future actions taken by governments and central banks will be successful in mitigating the economic disruption. If the COVID-19 pandemic is prolonged and/or the mitigating actions of governments and central banks are unsuccessful, the negative impact on global growth and global financial markets could be amplified, and may lead to recessions in national, regional or global economies.

Accordingly, and as a result of the COVID-19 pandemic, borrowers may face difficulty in paying amounts due on the Mortgage Loans as a result of illness or inability to work as a result of social distancing measures adopted by the Australian Government.

In such circumstances, the Servicer may determine that the relevant Mortgage Loan should be varied on the grounds of hardship (including by deferring scheduled payments in whole or part for an agreed period and/or extending the term of the Mortgage Loans).

As a result of the above, a failure by a borrower to make scheduled payments or a variation to such scheduled payments may affect the ability of the Trustee to make payments on the Notes or the timing of such payments on the Notes. Accordingly, investors should be aware that the performance, value and/or liquidity of mortgage-backed securities, including the Notes, may be adversely affected.

Additionally, there may be disruptions in routine functions and processes (such as enforcement action) relevant to the servicing and administration of the Mortgage Loans as a result of the COVID-19 pandemic, which may affect the Servicer's ability to collect amounts owing in respect of the Mortgage Loans. As at the Cut-Off Date, no Mortgage Loans in the Mortgage Loan Pool have been varied on the grounds of hardship in connection with the COVID-19 pandemic.

5.33 Conflicts of Interest

Certain of the parties to this offering, including, without limitation, BNY Trust Company of Australia Limited, the Manager and PNL, may effect transactions in which they may have, directly or indirectly, a material interest or a relationship of any description with another party to such transaction or a related transaction, which may involve a potential conflict with an existing contractual duty to the Trustee under this offering and could adversely affect the value and return of the Notes.

5.34 Capacities of PNL

PNL acts in various capacities in this transaction, including as Seller and Servicer, and, through PNL's wholly-owned subsidiary, P&N Management Pty Limited, as Manager. There can be no assurance that if either PNL or P&N Management Pty Limited must be replaced in respect of any one of its respective capacities, it will not also be necessary to replace PNL or P&N Management Pty Limited, as the case may be, in any of its other capacities. There can be no assurance that replacing PNL or P&N Management Pty Limited in various capacities at the same time will not result in any adverse consequences to Noteholders.

6. Mortgage Loans

6.1 Police & Nurses Limited

Police & Nurses Limited (**PNL**) was created in 1990 under its former trading name Police & Nurses Credit Society, following the merger of Police Credit Society of Western Australia Ltd and Western Australia Nurses Credit Society Ltd.

PNL received approval from the Australian Prudential Regulatory Authority (**APRA**) on 24 December 2012 to trade as a bank and in March 2013, Police & Nurses Credit Society became P&N Bank.

In 2019, under the *Financial Sector (Transfer and Restructure) Act 1999* (Cth), Bananacoast Community Credit Union Ltd (ABN 50 087 649 750) (**bcu**) merged with Police & Nurses Limited (the **Merger**). By operation of law, all of the assets and liabilities of bcu were transferred to PNL as part of the Merger and PNL stands in the place of bcu in respect of all legal arrangements in place prior to the Merger. Following the Merger both bcu and P&N Bank now each operate solely as trading names and trading divisions of PNL, the operating model is such that PNL acts as 'Topco' for a house of brands and PNL holds all regulatory approvals and licences, i.e. PNL holds the AFSL and ACL on behalf of the two brands.

PNL now has total assets of A$6,928 billion as at 30 June 2021. Of PNL's loans, 67.33% are in Western Australia and 25.55% are in New South Wales.

PNL continues to run on its long standing mutual banking model which is an attractive point of difference for many members when it comes to customer advocacy and competitive rates and fees. All profits are reinvested into PNL as capital for the benefit of members.

Membership of PNL is open to the general public. PNL has 164,138 members as at 30 June 2021 and some 564 staff.

PNL offers a wide range of financial products and services, including home loans, personal loans, term deposits, credit cards, financial planning, insurance and foreign exchange.

As at the date of this Information Memorandum:

- the P&N Bank brand has 16 branches and these are located in Perth with the exception of two branches located in Bunbury and Mandurah, Western Australia. PNL provides fee-free access to the rediATM network (which includes Mutual Banks, Credit Unions, Regional Banks and National Australia Bank), online banking, mobile banking and access to 300 Bank@Post outlets at Australia Post throughout Western Australia; and

- the bcu brand has 21 branches and these are located on the far north coast of New South Wales, centered around Coffs Harbour. As at 30 June 2021, 25.55% of the bcu residential mortgage loan book is located in NSW. The balance of the bcu mortgage loan book is located in other states with populations greater than 250,000. bcu provides fee-free access to the rediATM network (which includes Mutual Banks, Credit Unions, Regional Banks and National Australia Bank), online banking, mobile banking and access to 300 Bank@Post outlets at Australia Post throughout New South Wales.

PNL is a member of the Business Council of Co-operatives and Mutuals (BCCM) and Customer Owned Banking Association (COBA) (the industry body representing the Australian mutual banking sector). PNL has adopted the Customer Owned Banking Code of Practice. As an ADI PNL is regulated by the Australian Prudential Regulation Authority.

PNL is a longstanding securitisation participant having established three residential mortgage warehouse facilities, the first facility being established in 1995. PNL launched its self securitisation RMBS - Pinnacle Series Trust 2014-SST in February 2014. PNL issued its 1st public term issue in December 2010 – Pinnacle Series Trust 2010-T1, followed by a 2nd issue in October 2013 - Pinnacle Series Trust 2013-T1 and a third issue in November 2017 - Pinnacle Series Trust 2017-T1.

The corporate purpose of PNL is "to enrich the lives of our members and their communities". This member first focus has enabled PNL to consistently achieve high customer advocacy.

6.2 Mortgage Loans

PNL offers a range of variable and fixed interest rate mortgage loans for either owner occupation or investment lending purposes. All mortgage loans (other than a loan product which is not eligible for inclusion in the Mortgage Loan Pool) currently offered require full documentation and all Mortgage Loans backing the Notes are full documentation loans with a maximum remaining loan term of 30 years. PNL differentiates between owner occupied and investor product offerings. Other lending criteria, such as loan to valuation ratio may be differentiated by purpose.

The Mortgage Loans in the Mortgage Loan Pool include both bcu and PNL loans:

- OMG Variable Home Loan (bcu)

  A basic variable home loan (with no offset offered) at competitive rates for owner occupiers (up to 95% LVR with lenders mortgage insurance) and investors (up to 90% LVR with lenders mortgage insurance). Only available for lending of $100k or more.

- Standard Variable (and Max Discount) Home Loan (bcu)

  A full feature home loan (with offset) offered at competitive rates for owner occupiers (up to 95% LVR with lenders mortgage insurance) and investors (up to 90% LVR with lenders mortgage insurance).

- Fixed Rate Home Loan (bcu)

  A home loan that provides certainty of repayments for customers. Offered over terms of 1 to 5 years for owner occupiers (up to 95% with lenders mortgage insurance) or investors (up to 90% with lenders mortgage insurance).

- & Basic Home Loan

  A no frills home loan with no ongoing fees and a low variable rate for owner occupied borrowings up to 90% of the property value.

- Simple Home Loan

  A variable rate home loan for owner occupied borrowings that comes with an optional 100% offset account and no application or ongoing fees.

- Fixed Rate Home Loan

  Fixed interest rate for a 1, 2, 3, 4 or 5 year term available for owner occupied and investment purposes. Both principal and interest and interest only payment options are available.

- & Home Loan

A variable rate home loan for owner occupiers borrowing with the option of adding in extras including a 100% offset account and an optional credit card that has the same interest rate as the home loan for purchases.

- & Investor Loan

  A variable rate investment home loan that comes with an optional 100% offset facility and no ongoing fees for residential investment purposes.

- & Investor Basic Loan

  A low variable rate, no frills investment home loan with no ongoing fees for residential investment purposes.

- Equity Access

  A flexible line of credit facility with a competitive variable interest rate.

6.3 The Mortgage Loan Pool

The Mortgage Loan Pool consists of 1267 Mortgage Loans with Current Balances totalling $347,189,363 as at the Cut-Off Date (the **Mortgage Loan Pool**). A statistical analysis of the Mortgage Loan Pool is contained in Annex 1.

6.4 Eligibility Criteria

The Mortgage Loans included in the Mortgage Loan Pool must meet the eligibility criteria listed below or such other eligibility criteria as the Seller and the Manager may agree in writing prior to the Issue Date (as notified to the Trustee) and in respect of which the Manager has issued a Rating Affirmation Notice (the **Eligibility Criteria**). The Eligibility Criteria are determined in relation to the Mortgage Loans, as at the Cut-Off Date. The Eligibility Criteria are:

(a) a Mortgage Loan must:

  (i) be advanced and repayable in Australian dollars;

  (ii) be secured by a mortgage which is a first ranking mortgage;

  (iii) be secured by a mortgage over land which is Residential Property in Australia;

  (iv) have a stated term to maturity at the relevant cut-off date not exceeding 30 years and one month and require the borrower to make fortnightly or monthly payments of interest and/or principal sufficient to pay interest and amortise the principal amount outstanding of the Mortgage Loan over that term (other than during an interest-only period);

  (v) have an LVR determined as at the Cut-Off Date not exceeding 95%;

  (vi) have a total principal amount outstanding not exceeding $1,000,000;

  (vii) have a variable rate of interest or a fixed rate of interest;

  (viii) be a Mortgage Loan in respect of which the Mortgagor has made at least one payment in respect of interest or principal;

(ix) be assignable by the Seller without prior consent being required from, or notice of the assignment needing to be given to, the mortgagor or any other person;

(x) where the Mortgage Loan had a Loan to Value Ratio determined as at the time of origination of at least 80%, has the benefit of a primary mortgage insurance contract providing 100% cover for principal and interest losses from an Approved Mortgage Insurer;

(xi) have satisfied the Seller's lending policy at the time of origination; and

(xii) be a loan in favour of a person resident in Australia,

(b) a Mortgage Loan must not:

(i) be a loan in favour of an individual under 18 years of age;

(ii) be a loan which is a low documentation loan or is otherwise known or referred to as a "low-doc" loan;

(iii) be a loan whose Arrears Days are greater than 30;

(iv) be a loan that has a fixed rate period greater than 5 years;

(v) be a loan that has an interest-only period greater than 5 years;

(vi) be a loan that is a construction loan;

(vii) be a loan in respect of vacant land; or

(viii) be secured by a Mortgage which is also security for another mortgage loan which is not also an Asset of the Series Trust.

6.5 Mortgage Loan Features

6.5.1 Redraw

Borrowers can elect to redraw prepaid principal on their & Home Loan, Simple, & Basic, & Investor, & Investor Basic, OMG (bcu) and Standard Variable (and Max Discount) (bcu) home loans. Borrowers may only redraw amounts up to the amount by which all payments exceed the minimum required payments under the loan agreement.

Redraws can occur either:

(a) electronically via internet banking (to a maximum of $10,000 per day), where the amount available for redraw is controlled by PNL's Banking System (i.e. redraw is not permitted if the funds are not available or the loan is not subject to redraw); or

(b) manually – redraws for $10,000 or less can be processed by staff in PNL's branch network following set procedures. Redraws greater than $10,000 are centrally administered and approved by PNL.

PNL will be reimbursed by the Trustee for redraws made by borrowers in the circumstances described in Section 7.5.2.

6.5.2 Interest Off-Set

Variable rate borrowers holding a deposit account with the Seller may elect to have interest off-set arrangements apply to their deposit account (each such account being an **Interest Off-Set Account**). All holders of the Interest Off-Set Account must be identical parties to those under the corresponding Mortgage Loan. No interest will be paid on the Interest Off-Set Account and interest that would otherwise be earned in respect of that Interest Off-Set Account is off set against interest that would otherwise be payable on a Mortgage Loan.

In the event of a Perfection of Title Event occurring, interest off-set will no longer apply.

The Seller must:

(a) on each Determination Date pay to the Trustee an amount (if positive) equal to the aggregate of the Off-Set Amounts for the Mortgage Loans for the Monthly Period ending immediately prior to that Determination Date minus all amounts paid by the Seller pursuant to paragraph (b) below for that Monthly Period for those Mortgage Loans and any amounts paid by the Seller pursuant to paragraph (b) below remaining from previous Monthly Periods which were not applied in accordance with this paragraph; and

(b) if at any time the Seller's long-term credit rating from S&P is less than BBB and its short-term credit rating is less than A-2 (or, if the Seller does not have a short-term credit rating from S&P, its long-term credit rating is less than BBB+ by S&P), deposit into the Collections Account any Forecast Off-Set Amount with respect to each Monthly Period within 2 Business Days of commencement of that Monthly Period.

6.5.3 Occupancy

The Mortgage Loans consist of the following types of loans.

(a) **Owner Occupied Mortgage Loans** - Owner occupied Mortgage Loans have been made for the purchase, construction, or improvement of Residential Property as the principal place of residence of the borrower or to refinance an existing mortgage. Owner occupied Mortgage Loans may be increased to fund the acquisition of personal use assets by the borrower. Owner occupied Mortgage Loans may be granted for stand alone houses, strata title units, townhouses.

(b) **Investment Mortgage Loans** - Investment Mortgage Loans have been made for the purchase, construction or improvement of a residential investment property (rental property), to refinance an existing mortgage for residential investment purposes, or for other investment purposes such as share investments with security comprising Residential Property.

For the purpose of this Information Memorandum, **Residential Property** means property that is zoned to allow for residential use by the relevant local council.

6.5.4 Additional Repayments/Early Payouts

While a Mortgage Loan is under a variable rate option the borrower may at any time make repayments in excess of the scheduled repayment amount. For variable rate loans, amounts paid in excess of the scheduled repayment amount remain eligible for redraw by the borrower as described in Section 6.5.1 above.

For fixed interest rate loans, additional repayments are not permitted.

Where mortgagors have made additional repayments, they can elect to temporarily cease to make repayments providing that the Current Balance of the loan does not exceed the Scheduled Balance. In such circumstances the loan is not treated as being in arrears until the Current Balance exceeds the Scheduled Balance and will not be reported as being in arrears until this is the case.

6.5.5 Additional Advances

It is PNL's current policy that borrowers are not to be advanced further funds under a Mortgage Loan if that advance would cause the Current Balance to exceed the Scheduled Balance of that Mortgage Loan. In these instances an additional loan is taken out by the borrower and the relevant Mortgage Loan will be removed from the Mortgage Loan Pool.

6.6 Origination of Mortgage Loans

PNL originates loans via four origination channels which are:

- **Mobile Consultants** – Consultants based at PNL's offices which source business via self-generated lead creations;
- **Branch Home Loan Consultants** – Consultants based at individual branches within PNL's network which source business via walk in traffic and local activities;
- **Online Channel** – Applications can be placed via the PNL and bcu websites. In all cases these applications will have manual intervention by a home loan consultant who will contact the borrower;
- **Contact Centre Home Loan Consultants** – Consultants based in PNL's offices contact centre which source business via incoming call volumes; and
- **Broker Channel** – PNL has agreements with most major aggregator groups with a focus on the Western Australian market.

Each Mortgage Loan is subject to the normal credit and settlement processes of PNL regardless of origination channel. Enquiries for Mortgage Loans are usually generated by PNL's retail presence and advertising campaigns. PNL may from time to time offer additional features in relation to a Mortgage Loan which are not described in the preceding sections, or may cease to offer features that have been previously offered, and may add, remove or vary any fees or other conditions applicable to such features.

6.7 Credit Approval Process

6.7.1 Loan Applications

All applicants for a Mortgage Loan are required to complete and sign an application form and/or a fact sheet which details the personal characteristics and financial position of the applicants as well as authorises PNL to undertake various enquiries in relation to the employment and credit history of the applicants. Online and phone applications are processed electronically with a fact sheet being signed by the relevant applicant(s) confirming all the details and relevant consents.

Ancillary documents supporting the applicant's income and other attributes to the application are generally required before assessment of an application.

6.7.2 Assessment

All Mortgage Loan applications are assessed using the standard credit assessment criteria of PNL.

All applications are originated and assessed electronically by PNL's own staff using PNL's Lendfast System which also feeds information into PNL's automated decisioning system (**Decision Point**) which is based upon the prevailing credit policy rules of PNL and a credit score. PNL also maintains an up to date credit criteria which is clearly documented in Lending Policies used by all lenders and loan assessors. Applications from brokers are submitted online and via paper based applications and are verified by PNL's own staff. When assessing a loan PNL uses both a net disposable income calculation in addition to a qualifying rate calculation to assess repayment ability.

Applications that do not pass PNL's Decision Point parameters or are more complex in nature are referred to PNL's loan assessors. Loan assessors sit within the Credit Risk Department which is a centralised function independent from the origination activities for new mortgage loans. The Senior Manager of the Credit Risk Department reports to the Chief Risk Officer which is entirely independent of general sales activities of PNL.

Before final approval, all mortgage loan applications are reviewed by a verification officer within the Operations Production Department to confirm credit critical data required to support a proposed loan. PNL requires independent confirmation of the details included in the application which includes employment and income of the applicants, valuation of the security property and other documentary requirements. The applicant's comprehensive credit history is assessed through reference to Credit Bureau reports and supports the Credit Bureau scorecards to be used in the credit assessment process.

6.7.3 Valuations

The maximum LVR of a Mortgage Loan as at the Cut-Off Date, based on the lower of a current purchase price or valuation (if obtained) for the security property, is 95%.

When a full valuation is required it is undertaken by a registered valuer from the Panel Valuers as approved by PNL.

PNL requires a full valuation (including physical inspection of the mortgaged property) for a Mortgage Loan in the following circumstances:

- an automated valuation model forecast standard deviation is greater than 15% or a null value is returned and an electronic valuation report (**EVR**) is not considered appropriate e.g. the Mortgage Loan is for the purposes of a refinance and requires lenders mortgage insurance, an EVR is completed by a registered valuer without physical inspection of the property;
- the property securing the Mortgage Loan is a residential property located in a non-metropolitan area within or outside of Western Australia;
- the property securing the Mortgage Loan is located in certain restricted locations;
- the property securing the Mortgage Loan is a commercial property;
- the zoning relating to the property securing the Mortgage Loan is characterised as mixed use zoning;
- the Mortgage Loan is subject to a guarantee;
- the Mortgage Loan is a bridging loan;

- the Mortgage Loan is a construction loan;
- the Mortgage Loan is a reverse mortgage loan;
- the zoning relating to the property securing the Mortgage Loan is characterised as rural/residential zoning;
- the property securing the Mortgage Loan is a display home;
- the property securing the Mortgage Loan includes a living area greater than or equal to 40 square metres and less than or equal to 50 square metres;
- the Mortgage Loan is secured by multiple properties on a single title;
- the property securing the Mortgage Loan is a heritage property;
- Mortgage Loans with an LVR exceeding 80%; or
- transactions which are non arms length (for example, where the purchaser and seller of the property securing the Mortgage Loan are related).

PNL uses several documents to establish the value of real estate property including but not limited to:

- a full valuation report prepared by a Panel Valuer;
- a full valuation report prepared by valuer (other than a Panel Valuer), subject to acceptance by a relevant delegated credit authority;
- a kerbside valuation prepared by a Panel Valuer;
- offer and acceptance as evidenced by a contract of sale less than 12 months old;
- an Automated Valuation Model;
- an Electronic Valuation Report;
- a Residex Electronic Valuation;
- a market appraisal from Panel Valuer; or
- a long form valuation report.

6.7.4 Mortgage Insurance

38.05% of the aggregate balance of Mortgage Loans included in the Mortgage Loan Pool as at the Cut-Off Date are covered by a mortgage insurance policy, inclusive of each Mortgage Loan with an original LVR of 80% or higher.

The Trustee has the benefit of individual Mortgage Insurance Policies provided by either QBE Lenders' Mortgage Insurance Limited (formerly PMI Mortgage Insurance Limited) or Genworth Financial Mortgage Insurance Pty Limited.

As at the date of this Information Memorandum, the Mortgage Insurance Policies in place are as follows:

- PMI Mortgage Insurance Limited – Lenders' Mortgage Insurance Provisions W110J1197 dated 1 July 2000 (Flow). Amendment 4 June 2010 covering the National Consumer Credit Protection Act 2009;

- PMI Mortgage Insurance Limited – Lenders' Mortgage Insurance Provisions W03321200 dated 5 December 2000 (Tranches). Amendment 4 June 2010 covering the National Consumer Credit Protection Act 2009;

- PMI Mortgage Insurance Limited – Lenders' Mortgage Insurance Provisions Evergreen Tranches dated 18 October 2007. Amendment 4 June 2010 covering the National Consumer Credit Protection Act 2009;

- QBE Lenders' Mortgage Insurance Ltd – Lenders' Mortgage Insurance Provisions G03380910 dated 2 November 2010 (Flow);

- QBE Lenders’ Mortgage Insurance Ltd – Lenders’ Mortgage Insurance Master Agreement W110J0416 dated 4 May 2016;

- Genworth Financial Mortgage Insurance Pty Limited – Lenders Mortgage Insurance Master Policy dated 1 November 2008;

- Genworth Financial Mortgage Insurance Pty Limited – Genworth Financial Master Policy Bulk Insurance dated 28 June 2010; and

- Genworth Financial Mortgage Insurance Pty Limited – Genworth Financial Master Policy dated 1 November 2008 as amended by addendum dated 1 November 2015 (bcu).

For more information on the Mortgage Insurance Policies, see Sections 5.24 and 8.

6.7.5 Documentation and Settlements

Following approval and verification of a mortgage loan in PNL's Operations Department the standard loan documentation is produced from PNL's Lendfast System. For mortgage loans originated in Western Australia and having Western Australian securities PNL's Operations Department will also generate the remaining documentation (**Mortgage and ancillary documents**) via the Lendfast System. For mortgage loans originated outside of Western Australia or involving a security outside Western Australia the Mortgage and ancillary documents are prepared by a solicitor in the relevant state who also attends settlement on PNL's behalf. Mortgage loan settlements are centrally processed in PNL's Operations Department which reports to the Senior Manager Operations who in turn reports to the GM Business Optimisation. Prior to settlement of a mortgage loan PNL will ensure that the security documents are in place, are in registrable form and it is in order to advance monies. PNL will then advance funds to facilitate settlement. Post settlement of an advance PNL will attend to registration of the security and obtains all documents required to properly secure a mortgage loan. These documents could be held in either paper or electronic form (refer to section 11) and include the following:

- a signed Letter of Offer (**Loan Contract**);

- an acknowledgement;

- a registered signed and stamped Memorandum of Mortgage;

- a signed and stamped (if applicable) Guarantee (if guaranteed);

- the valuation report;

- a legal advice acknowledgement (if guaranteed);
- the Mortgage Insurance Policy (if applicable);
- the Certificate of Title to the security property, such Certificate of Title may be in duplicate or electronic form only;
- a disbursement authority for PNL;
- a copy of the Fire Insurance Policy covering the security property (if applicable);
- a copy of the Contract for Sale (if applicable); and
- a Direct Debit Authority for loan repayments (if applicable). PNL's Operations Department is responsible for the return of the documents post settlement.

All loans in the pool have had a credit check from an independent credit bureau.

6.8 Mortgage Loan Servicing

6.8.1 Seller as Initial Servicer

The Seller will be the initial Servicer of the Mortgage Loans and related securities.

PNL has an automated arrears management procedure in place. As soon as an account goes into arrears it is identified and allocated to "Debtor Management", PNL's loans management system (**Debtor Management**). If the arrears have not been satisfied within 7 days then the account is automatically allocated to an arrears officer for follow up. The account will remain in the arrears officer's queue until the Mortgage Loan is back in order or has progressed to a recovery officer for further action. A set process has been implemented whereby the account becomes automatically escalated if the account remains in arrears. Servicing therefore incorporates both automatic and manual aspects which allow for adequate handling of enquiries, accounting for Mortgage Loan transactions, development and management of computer systems relating to Mortgage Loans and the collection of payments and enforcement procedures for delinquent Mortgage Loans.

The table below details the required PNL action for each stage of arrears.

Days in Arrears	PNL Action
Day 1	First payment defaults are referred back to the staff member who processed the loan, a Credit Management Officer ("**CMO**") will send an email with explanation of the arrears.
Day 1	PNL sends a reminder SMS to the member advising that the repayment is overdue. This functionality is currently available for members of P&N Bank and is under development for bcu members.
Day 1-5	Loans are reviewed by the CMO for new loans with incorrect repayment transfers or members who have previously been in arrears but consistently repay arrears. A CMO will contact members to discuss repayment of arrears and correct the repayment set up for first payment defaulters.
Day 5-14	CMO attempts to contact the member requesting for arrears to be cleared. Attempts to contact the member is recorded and documented within Debtor Management, and

	if contact is successful, request for payment is made, or a repayment arrangement is entered into. On Day 11 an arrears late payment letter is sent to the member. CMOs have the authority to confirm arrangements up to 6 months (staff on probation have authority to confirm arrangements up to 3 months) - any arrangement over this time frame must be approved by the Team Leader Credit Management/Manager Credit & Accounts Management.
Day 15-29	If arrears are still outstanding, the CMO continues to contact the member to either request for arrears to be cleared or to enter into a payment arrangement.
Day 30-55	Day 30 arrears late payment letter is sent to the member. The member will be given 14 days to clear arrears or to contact the Credit Management department to discuss an agreement for clearance of arrears. This letter informs the member that should they not clear the arrears then a formal default notice may be issued. All efforts are made to contact the member during the collection period along with the required notices within the NCCP Act, Privacy Act and Debt Collection Guidelines.
Day 55 +	If no arrangement is in place a formal demand notice is prepared. This notice is prepared by the PNL's lawyers and clearly states the amounts in default and what will happen should this amount not be cleared. Demand notices also include the Form 12A information about member's rights after default. The demand notice gives the member 31 days to pay the full arrears outstanding and costs. The rectification date on the notice is calculated with the 31 required days and also 6 business days for postage. The demand notice is sent via registered post. The member can contact PNL at this time and make the following arrangements as noted below: • payment arrangement to clear within the notice of default time frame with payment test for a period of 6 months to ensure client can maintain the loan moving forward. On completion arrears are capitalised; • assistance to sell agreement; • financial hardship discussed and application can be made at any stage; • surrender the property vacant on expiry of the demand notice; • superannuation claim (the issue of the superannuation claim letter is only completed under strict guidelines). If the demand is not met, for investment properties, the Senior Credit Management Officer will review the account and instruct PNL's legal representatives to issue the Form 17 Tenancy Notice which places any tenants on notice that the bank may commence legal action in 30 days. Once the security property is confirmed vacant the bank can move to secure the property without further legal action.

	If the property is not vacant or if the member resides in the property, PNL will instruct its lawyers to proceed with issuing a writ of summons which demands payment of the full debt and escalates the process through to obtaining judgment and eviction so that PNL will become mortgagee in possession for sale of the security property.

6.8.2 Servicing to be in accordance with Servicing Standards

Subject, unless the prior written consent of the Trustee and the Manager is obtained, to the express limitations on servicing (see Section 6.9), 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 set out in the 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 retail loans.

The Operations Manual are the written guidelines, policies and procedures established by the Servicer for servicing 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 the Rating Agency, the Trustee and the Manager at least 1 month prior to the date of their intended effect. Such amendments take effect upon the earlier of the Manager issuing a Rating Affirmation Notice in relation to the adoption of proposed amendments.

All acts 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 (as the case may be) fraud, negligence or wilful default.

6.8.3 Custody of Documentation

The Seller will be the Custodian of the loan documentation as described in Section 11.

6.8.4 Repayments/Arrears

Mortgagors are expected to make repayments as a minimum on a monthly basis and maintain the Current Balance of the Mortgage Loan at or below the Scheduled Balance.

Arrears are assessed by comparing the difference between the Scheduled Balance and Current Balance with the scheduled monthly repayment.

6.8.5 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 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 are, to the extent they are standing to the credit of the Collections Account, secured to the Servicer under the Master Security Trust Deed and the General Security Deed as an Outstanding Prepayment Amount (see Section 9.3.5).

The Servicer may from time to time request that the Trustee repay amounts standing to the credit of the Collections Account which represent earlier prepayments (as described above) but only to the extent those prepayments are not required to offset the Servicer's earlier obligations to deposit Collections into the Collections Account.

6.8.6 Collections and Enforcement

All monitoring of Mortgage Loan accounts is conducted by designated arrears officers within PNL. They use both automated systems and manual follow up to enforce collections on accounts in arrears.

Once a borrower falls into arrears they are initially contacted by a PNL arrears officer by phone, text or any other approved means. If the Mortgage Loan continues in arrears a mixture of automatically generated mail and documented phone calls are used to follow up on the account as set out in Section 6.8.1. Regardless of the borrower's previous arrears history, once the Mortgage Loan has fallen into more than 120 days past due PNL may consult its legal counsel before taking appropriate action against the borrower.

The arrears management process used by PNL is outlined and documented. A process map outlines the processes which cover the monitoring and follow up of arrears, issuing of notices, taking possession of properties, ensuring adequate general insurance coverage and the sale of repossessed properties.

6.8.7 Acts of Servicer Binding

All acts of the Servicer in servicing the Mortgage Loans are binding on the Trustee. However, neither the Trustee nor the Manager (or their respective delegates) is responsible or liable for any Servicer Default except to the extent that the Servicer Default is caused by fraud, negligence or wilful default on the part of the Trustee, the Manager or their respective delegates, officers, employees or agents or any other person whose acts or omissions the Trustee or the Manager (as the case may be) is liable for under the Transaction Documents.

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.

6.9 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.

6.9.1 Interest Rates

The Manager must, on each Distribution Date, determine the rate that is the minimum interest rate required to be set on Mortgage Loans which are subject to a variable rate, in order to cover, together with amounts to be received in respect of fixed rate Mortgage Loans, the Total Expenses of the Series Trust and notify the sum of that minimum interest rate and 0.25% per annum (the **Threshold Rate**) to the Trustee and the Servicer on each day that it is calculated.

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 so that the weighted average (rounded up to 4 decimal places) of the variable rates on the Mortgage Loans is at least equal to the Threshold Rate, as calculated by the Manager on each Determination Date.

If the Servicer fails to adjust the rates of interest applicable to the variable rate Mortgage Loans and this failure gives rise to the Servicer Default referred to in paragraph (d) of Section 10.5.4, the Trustee must, on the direction of the Manager, adjust or maintain the rates charged in relation to the variable rate Mortgage Loans in accordance with the above requirements until a replacement Servicer is appointed (see Sections 10.5.4 and 10.5.6).

6.9.2 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) the release or substitution is in accordance with the terms of the Operations Manual;

(b) at least 1 mortgage is retained after the release or substitution to secure that Mortgage Loan;

(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 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 suffers as a result of the Servicer releasing or substituting any Mortgage Loan securities in breach of the above conditions.

6.9.3 Extension of Maturity of Mortgage Loans and Variation or Relaxation of Other Terms

(a) Except in the circumstances set out in Section 6.9.10 or where a Mortgage Loan is regarded as being repaid in full following the making of a Further Advance (see Section 10.2.8), the Servicer must not grant any extension of the maturity date of a Mortgage Loan beyond 30 years from the date the Mortgage Loan was made or allow a reduced monthly payment that would result in such an extension.

(b) Subject to the foregoing considerations and to Section 6.9.5, 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 Operations Manual.

6.9.4 Release of Debt

Except in the circumstances set out in Section 6.9.10, 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 there is a realised loss after selling the property the subject of the principal related security and claiming under any relevant Mortgage Insurance Policy.

6.9.5 Waivers, Releases and Compromises

Subject to:

(a) the restriction referred to in Section 6.9.4; and

(b) the restriction referred to in Section 6.9.3(a),

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.

6.9.6 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 land 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 an amount determined in accordance with the Servicing Standards. The Trustee and the Seller have agreed that where a subsequent security interest is granted in their favour over land 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.

6.9.7 Consent to Leases

The Servicer may consent to the creation of 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.

6.9.8 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.

6.9.9 Insurance Policies and Claims

The Servicer may settle any claim in respect of any mortgage or property insurance policy. 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 relate to property insurance and 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).

6.9.10 Binding Provisions and Orders of a Competent Authority

The Servicer may release a mortgage or other related security, reduce the amount outstanding under or vary the terms of any Mortgage Loan (including the terms of repayment) or any related security or grant other relief to a borrower or a security provider if required to do so by any Binding Provision or an order, decision, finding judgement or determination of a Competent Authority. If any such order, decision, finding judgement or determination of a Competent Authority is due to:

(a) the Seller or the Servicer breaching any applicable law or official directive (other than one which provides for relief on equitable or like grounds when the Servicer is acting in accordance with the standards and practices of a prudent lender) at the time the Mortgage Loan or related security was entered into or a Further Advance was made; or

(b) the Seller or the Servicer not acting in accordance with the standards and practices of a prudent lender in the business of making retail loans,

then the Servicer must notify the Trustee of the making of such an order, decision, finding judgement or determination and the Seller or the Servicer (as the case may be) must compensate the Trustee for its loss. The amount of the loss is to be determined by agreement with the Trustee or, failing this, by the Seller or the Servicer's external auditors.

6.10 Information on the Mortgage Loans

The Seller will be the Custodian of the Mortgage Loan Documents (see Section 11). It must deliver to the Trustee an electronic file containing certain information in connection with the Mortgage Loans and related securities. The Seller must thereafter, on the 5th day of each calendar month, deliver to the Trustee a new electronic file updating the information previously provided to reflect any amendment to that information that occurred in the previous calendar month. The Seller has agreed to indemnify the Trustee for any losses suffered as a result of the Seller failing to supply adequate information or supplying inaccurate or incomplete information in such electronic file such that the Trustee is unable to lodge and register caveats and transfers upon the occurrence of a Perfection of Title Event (see Section 10.2.13) or a Document Transfer Event (see Section 11).

7. Cashflow Allocation Methodology

7.1 Principles Underlying the Allocation of Cash Flows

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.

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. This is explained in Section 7.6.

7.2 Monthly Periods, Determination Dates and Distribution Dates

The distribution of Collections operates on a deferred basis. The Collections in respect of each Monthly 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 Monthly 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.

From (and including) 1 December to (and including) 31 December	Monthly Period
From (and including) 20 December to (but excluding) 20 January	Interest Period
15 January	Record Date
17 January	Determination Date
19 January	Transfer Date
20 January	Distribution Date

7.3 Underlying Cash Flows

7.3.1 Collections

The Collections for a Monthly Period are, subject to any Post-Settlement Adjustment, all moneys received by the Trustee in respect of the Series Trust during that period, including without limitation the aggregate of the following amounts (without double counting):

(a) the sum of all amounts for which a credit entry is made during the Monthly Period to the accounts established in the Servicer's records for the Mortgage Loans less the sum of the amount of any credit entries to the accounts established in the Servicer's records for the Mortgage Loans which relate to any Defaulted Amount on the Mortgage Loans during the Monthly Period and the amount of any reversals made during the Monthly Period to the accounts established in the Servicer's records for the Mortgage Loans where the original credit entry (or part thereof) was made 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 Monthly Period (less any reversals made during the Monthly 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 Monthly 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 10.2.8) or as a result of 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 Monthly Period upon the Seller's acceptance of the Clean-Up Offer (see Section 10.2.10);

(e) any damages or indemnities received by the Trustee in respect of the Monthly 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 10.2.7);

(ii) any release or substitution of any mortgage or related securities (other than as described in Section 6.9.2); or

(iii) the Servicer being required under the Mutual Banking Code of Practice, another binding provision, or a court or tribunal, to grant any form of relief to a mortgagor or collateral security provider as a result of the Seller having breached any applicable law, official directive, the Mutual Banking Code of Practice or other binding provision, or not having acted as a prudent lender of residential or commercial loans;

(f) any damages received by the Trustee in the Monthly Period which are not included in the amounts referred to in (e) above;

(g) any amounts received by the Trustee in the Monthly Period as a result of the sale of the Assets of the Series Trust on or following the Termination Date;

(h) in respect of the first Monthly Period, any Note subscription proceeds received by the Trustee that are not used on the Issue Date to acquire Mortgage Loans, to pay an Existing Disposing Trust any Adjustment Advance or to fund the Liquidity Reserve;

(i) any mortgage or general insurance proceeds received in relation to the Mortgage Loans by the Servicer or the Trustee during the Monthly Period;

(j) the amount of any Waived Mortgagor Break Costs received by the Trustee in respect of the Monthly Period;

(k) any Transfer Amount (or part thereof) received by the Trustee in that Monthly Period as a result of the sale of Mortgage Loans from the Trustee to another trust established under the Master Trust Deed; and

(l) any Adjustment Advance (or part thereof) received by the Trustee in that Monthly Period as a result of the sale of Mortgage Loans from the Trustee to another trust established under the Master Trust Deed,

less any amount debited during the Monthly 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 Monthly Period are allocated first to the satisfaction of Finance Charges.

7.3.2 Finance Charges

The **Finance Charges** for a Monthly Period are the aggregate of the following amounts (without double counting) in respect of the Mortgage Loans:

(a) the aggregate of:

(i) all debit entries representing interest or other charges that have been charged (net of any charges charged) during the Monthly Period made to the accounts established in the Servicer's records for the Mortgage Loans;

(ii) subject to paragraph (iii), any Mortgagor Break Costs charged in relation to the Mortgage Loans during a prior Monthly Period and received by the Servicer during the Monthly Period; and

(iii) any amounts received by the Servicer during the Monthly Period from the enforcement of any mortgage in relation to the Mortgage Loans where such amounts:

(A) exceed the aggregate of the costs of enforcement of any such mortgage and the interest and principal then outstanding on those Mortgage Loans in respect of which the amounts are received; and

(B) represent part or all of the Mortgagor Break Costs charged during a prior Monthly Period on the Mortgage Loans in respect of which the amounts are received,

less the aggregate of:

(iv) any reversals made during the Monthly Period in respect of interest or other charges (net of any interest off set benefits under the Interest Off Set Accounts (if any) in relation to those Mortgage Loans or other changes charged) in relation to any of the accounts established in the Servicer’s records for those Mortgage Loans where the original debit entry (or part thereof) was in error;

(v) any Mortgagor Break Benefits paid to a mortgagor in relation to those Mortgage Loans during the Monthly Period; and

(vi) any Mortgagor Break Costs charged to the accounts established in the Servicer’s records for those Mortgage Loans during the Monthly Period that have not been received by the Servicer during the period;

(b) any Recoveries received by the Servicer in relation to the Mortgage Loans during the Monthly Period (less any reversals made during the Monthly Period in respect of Recoveries where the original debit entry (or part thereof) was in error);

(c) any amounts received by the Trustee 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 10.2.8) or as a result of the discovery of an incorrect Seller representation (see Section 10.2.7) where such amounts represent accrued but unpaid interest on the Mortgage Loans in respect of the Monthly Period;

(d) the amount of any Clean-Up Settlement Price received by the Trustee in respect of the Monthly 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 Monthly Period for breach of a representation, warranty or obligation under the Master Trust Deed, Master Sale and Servicing Deed or Series Supplement;

(f) any amounts received by the Trustee in the Monthly 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 Charges;

(g) the amount of any Waived Mortgagor Break Costs received by the Trustee from the Servicer during the Monthly Period;

(h) any amount received by the Trustee in the Monthly Period from the Seller in respect of amounts owing to it by a mortgagor which is satisfied by way of set-off or combination;

(i) any Collections received by the Trustee or the Servicer during the Monthly Period if during that Monthly Period the Total Stated Amount of the Notes has been reduced to zero; and

(j) any Adjustment Advance (or part thereof) received by the Trustee in that Monthly Period as a result of the sale of Mortgage Loans from the Trustee to another trust established under the Master Trust Deed,

and any other Collections in respect of the Monthly Period which the Manager determines should be treated as Finance Charges less any amount debited during the Monthly Period to the accounts established in the Servicer's records for the Mortgage Loans during the Monthly 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 of 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 Monthly Period ending immediately prior to that Determination Date:

(a) the lesser of:

(i) Collections for the Monthly Period less the aggregate amount of any Collections applied in repayment to the Seller of any Redraws during that Monthly Period (other than on a Distribution Date) as described in Section 7.5.2; and

(ii) Finance Charges for the Monthly Period;

(b) any net amounts received by the Trustee under a 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 that Monthly Period;

(c) any interest income (or amounts in the nature of interest income) credited to the Collections Account during the Monthly Period;

(d) all income received in the Monthly 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 Monthly Period in respect of the Series Trust;

(f) any other amount received by the Trustee in the Monthly Period (excluding any Collection, any advance pursuant to the Redraw Facility, any collateral or prepayment under a Hedge Agreement, any prepayment of Collections by the Servicer deposited into the Collections Account and the Liquidity Reserve) which the Manager determines is in the nature of income, including any Off-Set Amount; and

(g) for the purposes of the Determination Date immediately preceding the Termination Payment Date only, the balance of the Extraordinary Expense Reserve pursuant to Section 10.6.4,

(excluding any interest or other income received during the Monthly Period in respect of any collateral or prepayment under a Hedge Agreement or any prepayment of Collections by the Servicer deposited into the Collections Account).

7.4.2 Gross Liquidity Shortfall, Net Liquidity Shortfall and Calculation of Total Investor Revenues

If the Investor Revenues for a Monthly Period are insufficient to meet the Total Expenses (see Section 7.4.4) for that Monthly Period (such deficit being a **Gross Liquidity Shortfall**), the Manager will calculate the lesser of the following (being an **Excess Revenue Reserve Draw**) on the Determination Date following the end of the Monthly Period:

(a) the Gross Liquidity Shortfall in relation to that Determination Date; and

(b) the balance of the Excess Revenue Reserve as at that Determination Date.

If the aggregate of the Investor Revenues for a Monthly Period and any Excess Revenue Reserve Draw in relation to the relevant Determination Date are insufficient to meet the Total Expenses for that period, the Trustee can use an amount equal to the lesser of the following (being a **Liquidity Draw**) to meet the deficit:

(a) the Gross Liquidity Shortfall in relation to that Determination Date (or zero if there is no Gross Liquidity Shortfall for that Determination Date) less any Excess Revenue Reserve Draw in respect of that Determination Date; and

(b) the balance of the Liquidity Reserve (including any part of the Liquidity Reserve then invested in Authorised Short-Term Investments) as at that Determination Date.

If the aggregate of the Investor Revenues for a Monthly Period, the Excess Revenue Reserve Draw in relation to the relevant Determination Date and the Liquidity Draw in relation to the relevant Determination Date are insufficient to meet the Total Expenses for that period (such deficit being a **Net Liquidity Shortfall**), the Trustee can use an amount equal to the lesser of the following (being a **Principal Draw**) to meet the remaining deficit:

(a) the Net Liquidity Shortfall in relation to that Determination Date; and

(b) where the Collections exceed the Finance Charges for that Monthly Period, the amount of such excess or, where the Finance Charges exceed the Collections for that Monthly Period, zero.

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

(a) the Investor Revenues;

(b) the Excess Revenue Reserve Draw;

(c) the Liquidity Draw (if any); and

(d) the Principal Draw (if any) (see Section 7.4.4).

Principal Draws, Liquidity Draws and Excess Revenue Reserve Draws may be reimbursed from Total Investor Revenues in the manner explained in Section 7.4.4.

7.4.3 Accrued Interest Adjustment and Adjustment Advance

Each Seller Mortgage Loan assigned by the Seller to the Trustee will have accrued interest from (and including) the previous due date for the payment of interest on that Seller Mortgage Loan up to (but excluding) the Issue Date. This accrued interest (the **Accrued Interest Adjustment**) is to be paid to the Seller in full on the first Distribution Date (and each subsequent Distribution Date thereafter until paid in full).

Each Existing Disposing Trust Mortgage Loan assigned by the trustee of the relevant Existing Disposing Trust to the Series Trust will have accrued interest from (and including) the previous due date for the payment of interest on that Existing Disposing Trust Mortgage Loan up to (but excluding) the Issue Date. This amount less any accrued and unpaid costs and expenses in respect of the Existing Disposing Trust Mortgage Loans during the period up to (but excluding) the Issue Date (the **Adjustment Advance**) is to be paid to the trustee of the relevant Existing Disposing Trust in full on the first Distribution Date (and each subsequent Distribution Date thereafter until paid in full).

7.4.4 Application of Total Investor Revenues

The Trustee will apply the Total Investor Revenues for each Monthly Period on the Distribution Date following the end of the Monthly Period and (to the extent only to which the Total Investor Revenues are not sufficient to meet in full any Extraordinary Expenses payable in accordance with paragraph (b) on that Distribution Date or that Distribution Date is the Termination Payment Date) the Extraordinary Expense Reserve Draw for that Distribution Date in the following order of priority:

(a) first, at the Manager's discretion, up to one dollar to the Income Unitholder;

(b) second, in payment of the Series Trust Expenses in the order set out in Section 7.4.5 below provided no Series Trust Expenses comprised of an Increased Costs Amount or an indemnity payment under the Redraw Facility Agreement may be paid under this Section 7.4.4(b) to the Redraw Facility Provider to the extent that it exceeds the Senior Redraw Facility Expense Amount;

(c) third, in payment *pari passu* and rateably towards the net amounts payable by the Trustee to each Hedge Provider under a Hedge Agreement for the Calculation Period (as defined in that Hedge Agreement) ending on that Distribution Date, *pari passu* and rateably between the Hedge Providers (other than any Subordinated Termination Payment in respect of a Hedge Provider);

(d) fourth, Redraw Facility fees and interest (if any) due on that Distribution Date plus any Redraw Facility fees and interest remaining unpaid from prior Distribution Dates;

(e) fifth, *pari passu* and rateably towards Interest in respect of the Class A1 Notes due on that Distribution Date plus any Interest in respect of the Class A1 Notes remaining unpaid from prior Distribution Dates to be distributed *pari passu* and rateably between the Class A1 Notes;

(f) sixth, *pari passu* and rateably towards Interest in respect of the Class A2 Notes due on that Distribution Date plus any Interest in respect of the Class A2 Notes remaining unpaid from prior Distribution Dates to be distributed *pari passu* and rateably between the Class A2 Notes;

(g) seventh, *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 to be distributed *pari passu* and rateably between the Class B Notes;

(h) eighth, *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 to be distributed *pari passu* and rateably between the Class C Notes;

(i) ninth, *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 to be distributed *pari passu* and rateably between the Class D Notes;

(j) tenth, *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 to be distributed *pari passu* and rateably between the Class E Notes;

(k) eleventh, *pari passu* and rateably towards Interest in respect of the Class F Notes due on that Distribution Date plus any Interest in respect of the Class F Notes remaining unpaid from prior Distribution Dates to be distributed *pari passu* and rateably between the Class F Notes;

(l) twelfth, to be applied:

  (i) first, towards the Liquidity Reserve in reimbursement of any Liquidity Draw made prior to that Distribution Date; and

  (ii) second, to the Liquidity Reserve until the balance of the Liquidity Reserve (including any part of the Liquidity Reserve then invested in Authorised Short-Term Investments) equals the Required Liquidity Amount on the immediately preceding Determination Date;

(m) thirteenth, an amount equal to any unreimbursed Principal Draws (see Section 7.4.2) will be allocated towards the Adjusted Principal Collections (see Section 7.5.1);

(n) fourteenth, an amount equal to the Defaulted Amount (see Section 7.5.3) will be allocated towards Total Principal Collections (see Section 7.5.1);

(o) fifteenth, 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);

(p) sixteenth, if the Distribution Date is an Excess Revenue Reserve Distribution Date, an amount equal to the Required Excess Revenue Reserve Amount for that Excess Revenue Reserve Distribution Date will be allocated to the Excess Revenue Reserve;

(q) seventeenth, in allocation towards the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve (including any part of the Extraordinary Expense Reserve then invested in Authorised Short-Term Investments) equals the Extraordinary Expense Reserve Target Balance on the preceding Determination Date (see Section 7.5.8);

(r) eighteenth, in or towards payment *pari passu* and rateably of any Subordinated Termination Payments payable by the Trustee to a Hedge Provider in accordance with the relevant Hedge Agreement;

(s) ninteenth, to the Redraw Facility Provider towards any Series Trust Expenses in respect of the Monthly Period just ended comprised of an Increased Costs Amount or an indemnity payment payable by the Trustee to the Redraw Facility Provider, to the extent that the Increased Costs Amount or indemnity payment is in excess of the Senior Redraw Facility Expense Amount; and

(t) finally, the balance (if any), is paid to the Income Unitholder on that Distribution Date.

The sum of (a) to (j) above represents **Total Expenses** for a Monthly Period if either:

(1) the Stated Amount in relation to the Class F Notes on the Determination Date immediately following the end of that Monthly Period is less than the Invested Amount in relation to the Class F Notes on that Determination Date; or

(2) that Determination Date falls after the Clean-Up Date.

Otherwise the sum of (a) to (k) represents **Total Expenses**.

7.4.5 Series Trust Expenses

The Manager will determine on each Determination Date the following expenses incurred during (or which relate to) the Monthly 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, all indemnities (including in respect of any Increased Costs Amount) and reimbursements payable by the Trustee pursuant to the Transaction Documents;

(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:

(i) all costs and expenses properly incurred by the Servicer in connection with the enforcement of any Mortgage Loans or related securities;

(ii) the costs of registering any caveats or mortgage transfers in relation to mortgages forming part of the Assets of the Series Trust;

(iii) any amount received by the Trustee or the Servicer after the Issue Date in respect of a Mortgage Loan or related securities which is "clawed-back" by an insolvency official as a result of the insolvency or bankruptcy of the mortgagor or other security provider; and

(iv) all other costs, charges and expenses 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, the Master Sale and

Servicing Deed or the Series Supplement (other than the amounts referred to in Section 7.4.4(a), (c) to (t) (inclusive), the Trustee's liability for distributions described in Section 7.5.2(a) to (d) (inclusive), any collateral or prepayment lodged with, or paid to, the Trustee under the terms of a Hedge Agreement or by the Servicer as any prepayment of Collections deposited into the Collections Account by the Servicer or any other amount referred to in paragraphs (e) to (i) below);

(e) fifth, the Trustee Fee (this is described in Section 10.3.6);

(f) sixth, the fees, costs and expenses incurred by or payable to the Security Trustee in acting as Security Trustee;

(g) seventh, the Servicing Fee (this is described in Section 10.5.3);

(h) eighth, the Management Fee (this is described in Section 10.4.5); and

(i) ninth, the Custodian Fee (if any) (this is described in Section 11.3),

in each case, together with any such expenses remaining unpaid from prior Distribution Dates.

The aggregate of (a) to (i) above represent the **Series Trust Expenses**. The Series Trust Expenses are paid in the priority explained in this Section 7.4.5.

7.5 Repayment of Principal on the Notes

7.5.1 Determination of Total Principal Collections

The Principal Collections for a Monthly Period are:

(a) zero, where the Finance Charges for the Monthly Period exceed the Collections less the Principal Draw (if any) for the Monthly Period and less the aggregate amount of any Collections applied in repayment to the Seller of any Redraws during that Monthly Period (other than on a Distribution Date) as described in Section 7.5.2 (being the **Net Collections** for the Monthly Period); or

(b) in all other cases, the Net Collections for the Monthly Period less the Finance Charges in respect of the Monthly Period.

On each Determination Date the Manager will calculate the aggregate of the following (being the **Adjusted Principal Collections**):

(a) the Principal Collections for the Monthly Period just ended;

(b) the amount by which the balance of the Liquidity Reserve exceeds the Required Liquidity Amount in relation to the Determination Date immediately following the end of that Monthly Period; and

(c) the amount determined by the Manager to be allocated from Total Investor Revenues to Adjusted Principal Collections on the next Distribution Date in accordance with Section 7.4.4(m).

If the amount of Adjusted Principal Collections is insufficient to fund Redraws made by the Seller during the immediately preceding Monthly Period (such deficit being a **Redraw Shortfall**), the Trustee may be entitled to draw on the Redraw Facility for the lesser of the amount of the Redraw Shortfall and the amount which is available for drawing under the Redraw Facility (see Section 9.1).

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

(a) Adjusted Principal Collections for that Monthly Period;

(b) the amount of any advance under the Redraw Facility to be made on the following Transfer Date; and

(c) any amount to be allocated from Total Investor Revenues to Total Principal Collections on the next Distribution Date in accordance with Section 7.4.4.

7.5.2 Application of Total Principal Collections

On each Distribution Date, the Trustee must at the Manager's direction apply the Total Principal Collections for the Monthly Period just ended in the following order of priority:

(a) first, in repayment to the Seller of any Redraws made during the Monthly Period just ended which have not been reimbursed by the Trustee during that Monthly Period (see below);

(b) second, in repayment to the Redraw Facility Provider of any Redraw Principal Outstanding;

(c) third:

(i) if the Manager determines that the Step-Down Criteria are not satisfied immediately before the payments or allocations to be made on that Distribution Date by the Trustee, the remaining Total Principal Collections for that Distribution Date will be applied in the following order of priority:

A) first, to the Class A1 Noteholders, *pari passu* and rateably between them, towards repayment of the Stated Amount of the Class A1 Notes, until the Stated Amount of the Class A1 Notes is reduced to zero;

B) second, to the Class A2 Noteholders, *pari passu* and rateably between them, towards repayment of the Stated Amount of the Class A2 Notes until the Stated Amount of the Class A2 Notes is reduced to zero;

C) third, to the Class B Noteholders, *pari passu* and rateably between them, towards repayment of the Stated Amount of the Class B Notes, until the Stated Amount of the Class B Notes is reduced to zero;

D) fourth, *pari passu* and rateably to the Class C Noteholders, towards repayment of the Stated Amount of the Class C Notes, until the Stated Amount of the Class C Notes is reduced to zero; and

E) fifth, to the Class D Noteholders, *pari passu* and rateably between them, towards repayment of the Stated Amount of the Class D Notes, until the Stated Amount of the Class D Notes is reduced to zero

F) sixth, *pari passu* and rateably to the Class E Noteholders, towards repayment of the Stated Amount of the Class E Notes, until the Stated Amount of the Class E Notes is reduced to zero; and

G) seventh, *pari passu* and rateably to the Class F Noteholders, towards repayment of the Stated Amount of the Class F Notes, until the Stated Amount of the Class F Notes is reduced to zero; or

(ii) if the Manager determines that the Step-Down Criteria are satisfied immediately before the payments or allocations to be made on that Distribution Date by the Trustee, the remaining Total Principal Collections for that Distribution Date will be applied *pari passu* and rateably to:

A) the Class A1 Noteholders, *pari passu* and rateably between them, towards repayment of the Stated Amount of the Class A1 Notes, until the Stated Amount of the Class A1 Notes is reduced to zero; and

B) the Class A2 Noteholders, *pari passu* and rateably between them, towards repayment of the Stated Amount of the Class A2 Notes, until the Stated Amount of the Class A2 Notes is reduced to zero; and

C) the Class B Noteholders, *pari passu* and rateably between them, towards repayment of the Stated Amount of the Class B Notes, until the Stated Amount of the Class B Notes is reduced to zero; and

D) the Class C Noteholders, *pari passu* and rateably between them, towards repayment of the Stated Amount of the Class C Notes, until the Stated Amount of the Class C Notes is reduced to zero; and

E) the Class D Noteholders, *pari passu* and rateably between them, towards repayment of the Stated Amount of the Class D Notes, until the Stated Amount of the Class D Notes is reduced to zero; and

F) the Class E Noteholders, *pari passu* and rateably between them, towards repayment of the Stated Amount of the Class E Notes, until the Stated Amount of the Class E Notes is reduced to zero; and

G) the Class F Noteholders, *pari passu* and rateably between them, towards repayment of the Stated Amount of the Class F Notes, until the Stated Amount of the Class F Notes is reduced to zero; and

(d) fourth, 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 Trustee must on the direction of the Manager reimburse the Seller from Collections held in the Collections Account, provided that there are sufficient Collections to reimburse the Seller and the Manager determines that it is reasonably satisfied that the aggregate of the anticipated Adjusted Principal Collections for the relevant Monthly Period and the amount available to be drawn under the Redraw Facility on the following Distribution Date will exceed the amount of that reimbursement and any other such reimbursement to the Seller in that Monthly 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 7.6).

7.5.3 Defaulted Amounts

The Defaulted Amount (if any) for a Monthly Period is the aggregate principal amounts outstanding in respect of Mortgage Loans which have been written off as uncollectible by the Servicer. 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 of any amount due under the relevant Mortgage Insurance Policies. If the Defaulted Amount is not satisfied after the application of Total Investor Revenues, the Charge-Off provisions explained in Section 7.6 will apply.

7.5.4 No payment in excess of Stated Amounts

No amount of principal will be repaid to a Noteholder in excess of the Stated Amounts applicable to the Notes held by that Noteholder (other than in accordance with the Master Security Trust Deed).

7.5.5 Step-Down Criteria

The Step-Down Criteria will be satisfied on any day if:

(a) the average of the aggregate principal amount outstanding of Mortgage Loans which formed part of the Assets of the Series Trust over the previous 4 calendar months with Arrears Days of greater than 60 days is less than or equal to 4% of the average of the aggregate principal amount outstanding of all Mortgage Loans which formed part of the Assets of the Series Trust over the previous 4 calendar months;

(b) the immediately following Distribution Date occurs on or after the second anniversary of the Issue Date;

(c) the aggregate principal amount outstanding of all Mortgage Loans which are then Assets of the Series Trust, expressed as a percentage of the aggregate principal amount outstanding of all Mortgage Loans which were Assets of the Series Trust at the Issue Date, is greater than or equal to 10%;

(d) no Charge-Offs in respect of any Class F Notes will remain unreimbursed on that day; and

(e) the Note Subordination Percentage is greater than or equal to 16%.

7.5.6 Excess Revenue Reserve

Certain circumstances may affect the ability of the Trustee to meet any Gross Liquidity Shortfall of the Series Trust. The Excess Revenue Reserve mitigates the risk of a liquidity deficiency if such a situation arises following the Clean-Up Date.

The Manager must maintain a separate ledger within the Collections Account in respect of the Excess Revenue Reserve. The Excess Revenue Reserve will be held in the Collections Account and must not be withdrawn by the Trustee other than:

(a) to be applied as an Excess Revenue Reserve Draw to meet any Gross Liquidity Shortfall on a Distribution Date to the extent Total Investor Revenues are insufficient for this purpose (see Sections 7.4.2 and 7.4.4);

(b) to be applied towards the Income Unitholder on termination of the Series Trust (see Section 10.6.4); or

(c) to be paid into a new or additional Collections Account (if any) (see Section 2.6).

On each Distribution Date falling after the Clean-up Date, the Trustee will allocate Total Investor Revenues to the extent available towards the Excess Revenue Reserve (see paragraph (p) of Section 7.4.4).

7.5.7 Liquidity Reserve

Certain circumstances may affect the ability of the Trustee to meet any Gross Liquidity Shortfall of the Series Trust even after the making of an Excess Revenue Reserve Draw. The Liquidity Reserve mitigates the risk of a liquidity deficiency if such a situation arises.

On the Issue Date, the Seller must deposit the Required Liquidity Amount into the Collections Account, which will form the Liquidity Reserve. The **Required Liquidity Amount** is:

(a) on the Issue Date, an amount equal to 0.8% of the aggregate principal amount outstanding on the Mortgage Loans which are then Assets of the Series Trust; and

(b) at any time following the Issue Date, the greater of:

 (i) 0.8% of the aggregate principal amount outstanding on the Mortgage Loans which are then Assets of the Series Trust; and

 (ii) 10% of the amount referred to in paragraph (a) above,

provided that for the purpose of calculating distributions on any date on which the Notes are to be redeemed in full, the Required Liquidity Amount will be zero.

To the extent the amount of the Liquidity Reserve on a Distribution Date is less than the Required Liquidity Amount, the Trustee will allocate Total Investor Revenues to the extent available to reinstate the Liquidity Reserve up by the amount of the deficiency (see paragraph (l) of Section 7.4.4).

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

(a) to be applied as a Liquidity Draw to meet any Gross Liquidity Shortfall on a Distribution Date to the extent that the aggregate of the Investor Revenues and the Excess Revenue Reserve Draw are insufficient for this purpose (see Sections 7.4.3 and 7.4.4);

(b) to the extent that it exceeds the Required Liquidity Amount, to be applied (as part of Adjusted Principal Collections) as Total Principal Collections (see Sections 7.5.1 and 7.5.2); or

(c) to be paid into a new or additional Collections Account (if any) (see Section 2.6).

7.5.8 Extraordinary Expense Reserve

Certain circumstances may affect the ability of the Trustee to meet any out of pocket expenses of the Series Trust not incurred in the ordinary course of business of the Series Trust (**Extraordinary Expenses**). The Extraordinary Expense Reserve mitigates the risk of a liquidity deficiency if such Extraordinary Expenses arise.

On the Issue Date, PNL must deposit an amount equal to $150,000 (or such other amount notified by the Manager to the Trustee on or before the Issue Date) (the **Extraordinary Expense Target Balance**) into the Collections Account, which will form part of the Extraordinary Expense Reserve. 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 (see Section 7.4.4); or

(b) to be applied as Total Investor Revenues on termination of the Series Trust (see Section 10.6.4); or

(c) to be paid into a new or additional Collections Account (if any) (see Section 2.6).

The amount to be applied in accordance with paragraphs (a) and (b) above is, in the case of paragraph (a), the amount by which Total Investor Revenues are not sufficient to meet in full any Extraordinary Expenses payable in accordance with paragraph (b) of Section 7.4.4 on a Distribution Date (which amount must be less than or equal to the balance of the Extraordinary Expense Reserve on that Distribution Date) or, in the case of paragraph (b), the balance of the Extraordinary Expense Reserve on that Distribution Date (the **Extraordinary Expense Reserve Draw**).

To the extent the balance of the Extraordinary Expense Reserve (including any part of the Extraordinary Expense Reserve invested in Authorised Short-Term Investments) on a Determination Date is less than the Extraordinary Expense Reserve Target Balance, the Trustee will allocate Total Investor Revenues to the extent available to reinstate the Extraordinary Expense Reserve up by the amount of the deficiency (see Section 7.4.4(q)).

7.6 Charge-Offs

7.6.1 What is meant by a Charge-Off

In the circumstances described in Section 7.6.2, a Defaulted Amount (to the extent not able to be recovered from Total Investor Revenues) will be absorbed by first reducing on a *pari passu* and rateable basis the Stated Amount in respect of the Class F Notes, next reducing on a *pari passu* and rateable basis the Stated Amount in respect of the Class E Notes, next reducing on a *pari passu* and rateable basis the Stated Amount in respect of the Class D Notes, next reducing on a *pari passu* and rateable basis the Stated Amount of the Class C Notes, next reducing on a *pari passu* and rateable basis the Stated Amount of the Class B Notes, next reducing on a *pari passu* and rateable basis the Stated Amount of the Class A2 Notes and then reducing on a *pari passu* and rateable basis the Stated Amount of the Class A1 Notes in the manner described in Section 7.6.2. That reduction of a Stated Amount in respect of the Notes is called a **Charge-Off**.

7.6.2 Defaulted Amount Insufficiency

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

(a) the insufficiency is first charged off against the Stated Amount for the Class F Notes so as to reduce the Stated Amount of the Class D Notes (*pari passu* and rateably between the Class F Notes based on their Stated Amounts), until the Stated Amount for the Class F Notes is reduced to zero;

(b) if the insufficiency is not fully taken into account by a Charge-Off against the Class F Notes (because the Stated Amount of the Class F Notes has been reduced to zero), the remaining insufficiency will be charged off *pari passu* and rateably against the Stated Amount for 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 for the Class E Notes is reduced to zero;

(c) if the insufficiency is not fully taken into account by a Charge-Off against the Class F Notes and the E Notes (because the Stated Amount of the Class Class F Notes and the Class E Notes has been reduced to zero), the remaining insufficiency will be charged off *pari passu* and rateably against the Stated Amount for 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 for the Class D Notes is reduced to zero;

(d) if the insufficiency is not fully taken into account by a Charge-Off against the Class F Notes, the Class E Notes and the D Notes (because the Stated Amount of the Class F Notes, the Class E Notes and the D Notes has been reduced to zero), the remaining insufficiency will be charged off *pari passu* and rateably against the Stated Amount for 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 for the Class C Notes is reduced to zero;

(e) if the insufficiency is not fully taken into account by a Charge-Off against the Class F Notes, the Class E Notes, the Class D Notes and the Class C Notes (because the Stated Amount of the Class F Notes, the Class E Notes, the Class D Notes and the Class C Notes has been reduced to zero), the remaining insufficiency will be charged off *pari passu* and rateably against the Stated Amount for 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 for the Class B Notes is reduced to zero;

(f) if the insufficiency is not fully taken into account by a Charge-Off against the Class F Notes, the Class E Notes, the Class D Notes, the Class C Notes and the Class B Notes (because the Stated Amount of the Class F Notes, the Class E Notes, the Class D Notes, the Class C Notes and the Class B Notes has been reduced to zero), the remaining insufficiency will be charged off *pari passu* and rateably against the Stated Amount for the Class A2 Notes so as to reduce the Stated Amount of the Class A2 Notes (*pari passu* and rateably between the Class A2 Notes based on their Stated Amounts), until the Stated Amount for the Class A2 Notes is reduced to zero; and

(g) if the insufficiency is not fully taken into account by a Charge-Off against the Class F Notes, the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes and the Class A2 Notes (because the Stated Amount of the Class F Notes, the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes and the Class A2 Notes has been reduced to zero), the remaining insufficiency will be charged off *pari passu* and rateably against the Stated Amount for the Class A1 Notes so as to reduce the Stated Amount of the Class A1 Notes (*pari passu* and rateably between the Class A1 Notes based on their Stated Amounts), until the Stated Amount for the Class A1 Notes is reduced to zero.

7.6.3 Reimbursements of Charge-Offs

Charge-Offs may be reimbursed from Total Investor Revenues in the manner explained in Section 7.4.4.

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

An amount 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, to the reduction of the Charge-Offs in respect of the Class A1 Notes remaining unreimbursed from all prior Distribution Dates, *pari passu* and rateably between them, until these are reduced to zero;

(b) second, to the reduction of the Charge-Offs in respect of the Class A2 Notes remaining unreimbursed from all prior Distribution Dates, *pari passu* and rateably between them, until these are reduced to zero;

(c) third, 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) fourth, 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) fifth, 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;

(f) sixth, 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; and

(g) finally, to the reduction of the Charge-Offs in respect of the Class F Notes remaining unreimbursed from all prior Distribution Dates, *pari passu* and rateably between them, until these are reduced to zero.

7.7 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 Monthly 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.

8. The Mortgage Insurance Policies

8.1 General

38.05% of the Mortgage Loans are insured by one of Genworth Financial Mortgage Insurance Pty Limited or QBE Lenders' Mortgage Insurance Limited (together the **Approved Mortgage Insurers**). These Mortgage Loans are insured under an individual Mortgage Insurance Policy issued by an Approved Mortgage Insurer to the Seller (on an individual basis).

With effect from the cut-off date upon which each of the Existing Disposing Trust Mortgage Loans the subject of a policy described above was originally assigned by the Seller to the relevant Existing Disposing Trust, the Seller's entire right, title and interest in each Mortgage Insurance Policy relating thereto was assigned to that Existing Disposing Trust (the right, title and interest in each Mortgage Insurance Policy acquired by that Existing Disposing Trust pursuant to such assignment being the **Seller Rights**).

With effect from the Cut-Off Date, the relevant Existing Disposing Trust's entire right, title and interest in the Seller Rights will be assigned to the Trustee.

Also with effect from the Cut-Off Date, the Seller's entire right, title and interest in each Mortgage Insurance Policy relating to the Seller Mortgage Loans will be assigned to the Trustee.

The assignment to the Trustee will be in equity (and so the insured on record under the assigned Mortgage Insurance Policies will remain with the Seller) unless and until a Perfection of Title Event occurs, in which case the Trustee must perfect its interest in the Mortgage Insurance Policies (for further details, see Section 10.2.13).

Any amounts paid by the Approved Mortgage Insurers under the assigned Mortgage Insurance Policies will, whilst the assignment is equitable, be received by the Seller and must be applied by the Seller (in its capacity as initial Servicer) in the manner described in Section 7.

Under the Master Sale and Servicing Deed, the Seller (in its capacity as initial Servicer) undertakes to comply with its obligations (as the insured) under the Mortgage Insurance Policies in respect of each Mortgage Loan.

If the Trustee's interest in a Mortgage Loan is extinguished in favour of the Seller as a result of:

(a) a breach of the Seller's representations and warranties in relation to the Mortgage Loan being discovered within the Prescribed Period in relation to that Mortgage Loan which was not remedied within that period (see Section 10.2.7); or

(b) a repurchase of a Mortgage Loan in accordance with the Seller's option to acquire the Mortgage Loans based on an offer by the Trustee on or following the termination of the Series Trust (see Section 10.6.3), following the payment by the Seller of the Clean-Up Settlement Price (see Section 10.2.10), or following the provision of a Further Advance by the Seller in respect of a Mortgage Loan, the provision of an additional feature in relation to a Mortgage Loan or because a Mortgage Loan cannot remain in the Mortgage Loan Pool for any similar purpose (see Section 10.2.8),

then the Seller will be entitled to the benefit of the Mortgage Insurance Policy under which that Mortgage Loan is insured.

The Mortgage Insurance Policies have been issued both as individual policies and master policies (under which individual Mortgage Loans or pools of Mortgage Loans have been insured) and each Approved Mortgage Insurer has issued an individual insurance policy or certificate in respect of each Mortgage Loan governed by the terms of the Mortgage Insurance Policy they have issued. The remainder of this Section 8 contains a summary of some of the provisions of the Mortgage Insurance Policies, including losses and costs covered by the Mortgage

Insurance Policies, the circumstances under which a claim under a Mortgage Insurance Policy may be reduced and the losses that are not covered under the Mortgage Insurance Policies.

8.2 Primary Cover

Subject to the exclusions mentioned below and compliance with policy conditions, the insurance provided under each Mortgage Insurance Policy covers losses and costs of the following kinds after all securities in respect of a defaulting Mortgage Loan are enforced:

(a) any amount of principal loss arising (determined on the date and in the manner specified in the relevant Mortgage Insurance Policy);

(b) any amount of interest loss for the period specified in the relevant Mortgage Insurance Policy at the non-default rate payable under the Mortgage Loan;

(c) costs of sale and enforcement reasonably and necessarily incurred, each cost up to a maximum amount (if so specified) which may be set out in the relevant Mortgage Insurance Policy, which are not recovered from enforcement, including (but not limited to):

(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) levies and other charges payable to a body corporate under a strata title system in relation to the mortgaged property;

(iii) reasonable and necessary legal fees and disbursements incurred in enforcing or protecting rights under the insured mortgage;

(iv) reasonable agent's commission, advertising costs, valuation costs, presentation costs and other costs relating to the sale of the mortgaged property;

(v) reasonable costs of maintenance and protection of the mortgaged property, including costs for locksmiths, repairs, cleaning, maintenance and storage;

(vi) reasonable display furniture costs if agreed in writing between the Seller and the Approved Mortgage Insurer;

(vii) any amounts applied with the prior written consent of an Approved Mortgage Insurer to discharge a security interest having priority over the insured mortgage;

(viii) certain payment dishonour fees in respect of payments under the Mortgage Loan made by the Seller to third parties; and

(ix) any amount incurred by the insured under the GST Act on the sale or transfer of the mortgaged property to a third party in or towards the satisfaction of any debt that the borrower owes to the insured under the loan account, and any amount properly incurred under the GST Act by the insured in respect of any costs, fees, disbursements or commissions specifically identified in the relevant Mortgage Insurance Policy.

8.3 Open Policies

Mortgage Loans may be insured under open policies provided that they meet certain criteria.

If a Mortgage Loan is insured under an open policy, the Seller, rather than the Approved Mortgage Insurer, will assess whether the Mortgage Loan meets the Approved Mortgage Insurer's underwriting parameters. If an incorrect assessment is made, the Trustee may be unable to claim on the Mortgage Insurance Policy. Some Approved Mortgage Insurers carry out periodic reviews of a sample of the Mortgage Loans insured under open policies to ensure that those Mortgage Loans meet that Approved Mortgage Insurer's underwriting parameters.

8.4 Reductions

The amount of a claim under a Mortgage Insurance Policy may be reduced in some circumstances. These include a reduction by the amount of:

(a) the proceeds of the sale of the mortgage property or the value as agreed by the Approved Mortgage Insurer if foreclosed;

(b) all monies received for rents and profits in respect of the mortgaged property and by way of compensation for resumption, compulsory acquisition or the like in respect of any part of the mortgaged property;

(c) any monies received by way of the proceeds of payment of any insurance policy not applied to restoration of the mortgaged property or the refund of any premium in respect of the mortgaged property;

(d) all monies received from the enforcement of any collateral security or from any surety or guarantor of the mortgage or, in some cases, the market value of any such security if foreclosed;

(e) any fees and charges that exceed those that may be charged under the Consumer Credit Code or Credit Legislation;

(f) any amount in respect of which the Approved Mortgage Insurer has been prejudiced as a result of the relevant borrower having a defence, a right of set-off or a counter claim in any proceedings taken by or on behalf of the insured;

(g) a reopening of the Mortgage Loan in the manner contemplated by section 70 of the Consumer Credit Code. This section empowers a court to reopen transactions giving rise to a contract, mortgage or guarantee or a change thereto, if satisfied that, in the circumstances when it was entered into or changed, it was unjust;

(h) a court annulling or reducing any unconscionable interest rate change, fee or charge under section 72 of the Consumer Credit Code or under the Credit Legislation;

(i) the estimated cost of restoration or repair of the buildings and the mortgaged property itself to their condition as at the commencement of the policy, reasonable wear and tear excepted, free of any contamination, pollution or environmental hazard and free of any actual and contingent liability for the cost of reducing, eliminating or cleaning up any contamination, pollution or environmental hazard (or the reduction in value of the mortgaged property due to such issues);

(j) any amount incurred in respect of GST relating to the mortgaged property or any collateral security to the extent the insured is entitled to claim an input tax credit or to the extent that the insured would have been entitled to claim an input tax credit if the relevant payment was not made in respect of any particular taxable supply to the insured;

(k) if the valuer - upon whose valuation the insured relied in respect of the Mortgage Loan - was negligent or in breach of a duty of care, but the valuer is not liable to the insured, the amount for which the valuer would have been liable by reason of any act or omission of the insured;

(l) if a valuer - upon whose valuation the insured relied in respect of the Mortgage Loan – was negligent or in breach of a duty of care, but the valuer's liability is reduced by contributory negligence on the part of the insured, the amount of the reduction for contributory negligence;

(m) any amount payable by the insured to discharge any mortgage or other security that has priority over the insured mortgage (other than where that prior security has been consented to by the insurer or constitutes a statutory charge);

(n) the amount by which the insured's loss is increased due to the happening of any of the events below, without the prior consent of the insurer:

(i) any breach or non-compliance of the Managed Investments Act 1998 (Cth) (as amended);

(ii) the creation of any lease, license, easement, restriction or other notification affecting any mortgaged property;

(iii) the creation of any further mortgage, charge, encumbrance easement or encroachment over any part of the mortgaged property, except under any statute, regulation or ordinance in respect of the non-payment of any rates, taxes or other charges or for the benefit of a governmental agency;

(iv) any alteration in an insured mortgage, other than an increase in the amount of instalments payable under the insured mortgage, which has the consequence of materially increasing or accelerating payment of the relevant Mortgage Loan account or the exposure of the insurer and in some cases any increase in the rate of interest charged on the Mortgage Loan above a specified limit;

(v) any failure to fully and accurately disclose the happening of any material event or circumstance relating to the Mortgage Loan account; and

(vi) the insured making a false or misleading statement, assurance or representation to the borrower or any guarantor.

Further the amount recoverable under a Mortgage Insurance Policy may not, in some cases, exceed the amount calculated to pay out the relevant Mortgage Loan under the Consumer Credit Code or under the Credit Legislation.

8.5 Exclusions

A Mortgage Insurance Policy may not cover losses arising as a result of, among other things:

(a) any amount payable by the insured to discharge any mortgage or other security that has priority over the insured mortgage (other than where that prior security has been consented to by the insurer or contains a statutory charge);

(b) the failure, malfunction or inadequacy of any computer hardware or software not belonging to the relevant Approved Mortgage Insurer;

(c) the presence in, on or under the mortgaged property of any substance or contaminant which renders the property harmful or unusable;

(d) the amount of GST, fine, penalty or charge for which the insured is or becomes liable because of a failure to disclose or a misstatement made by anyone in relation to the entitlement of the insured to claim an input tax credit;

(e) any loss arising from any civil or criminal penalties imposed on the insured under any legislation including the Consumer Credit Code or Credit Legislation;

(f) the payment of any fine, further penalty or liability to pay damages or compensation of any kind;

(g) war, invasion, insurrection, act of foreign enemy, hostilities (whether war is declared or not), rebellion, revolution, riot, civil commotion or like events;

(h) ionising radiations or contamination by radioactivity from any nuclear waste from the combustion of nuclear fuel, including nuclear fusion or the existence or escape of any pollution or environmentally hazardous material;

(i) the Mortgage Loan or any security in respect of the Mortgage Loan (including the mortgage) becoming invalid, unenforceable or losing priority;

(j) any loss, damage or destruction to the mortgaged property (excluding reasonable wear and tear) including as a result of termites or vermin. In this regard the Trust relies on insurance coverage under the general insurance policies which borrowers are required to hold and keep current.

(k) any defence, right of set-off or counterclaim by the borrower against the insured, or any derogation from the insured's rights against the mortgagor or the mortgaged property or in respect of the loan by compromise, postponement, partial discharge or otherwise;

(l) a Further Advance other than Redraw being advanced to the borrower without the consent of the relevant Approved Mortgage Insurer;

(m) the non-observance or non-performance in all material respects of all the obligations imposed by any relevant property law on an insured as mortgagee, including as mortgagee in possession, or the making or taking of or the terms of the mortgage or any collateral security contravening any relevant legislation applicable to the provision of credit and the granting of mortgages;

(n) interest charged in advance, default rate interest, interest charged at a higher rate because of a failure to make prompt payment or any fines, fees or charged debited to the loan account;

(o) early repayment fees or break funding costs incurred; and

(p) cost overruns and any amounts paid by the insured in addition to the loan amount to complete improvements.

Further, an Approved Mortgage Insurer may reduce claims payable based on the extent to which the rights of the insured to the Mortgage Loan or the property securing the Mortgage Loan have been reduced as a result of the negligence of the insured.

In addition, under the Insurance Contracts Act 1984 (Cth), a prospective insured has a duty to disclose to the insurer every matter known to the insured, or which could reasonably be expected to be known by the insured, relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms. The duty also applies in respect of a renewal, extension, variation or reinstatement of a contract of general insurance. If the insured fails to comply with the duty of disclosure and the non-disclosure is fraudulent, the insurer may be able to avoid the policy from the beginning. The insured also has an implied duty of utmost good faith to the insurer in respect of any matter arising under or in relation to the policy. An insurer may have the right to cancel a policy for failure to comply with this duty.

Where the non-disclosure is not fraudulent, the insurer may be able to reduce its liability under the policy in respect of a claim by the amount that would place the insurer in a position in which the insurer would have been if the non-disclosure had not occurred.

8.6 The Approved Mortgage Insurers

Loans insured by the Genworth Financial Mortgage Insurance Pty Ltd

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

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

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

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.

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

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

9.1 The Fixed Rate Swap

9.1.1 Interest Rate Mismatch between Mortgage Loans and Notes

The Trustee may receive interest on the Mortgage Loans with two different types of interest rate. These are:

(a) the Seller's variable administered rate; and

(b) a fixed rate where the borrower has elected this.

This will result in an interest rate mismatch between the floating Interest Rate payable on the Notes on the one hand and the rate of interest earned on the Mortgage Loans on the other hand.

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

The Fixed Rate Swap will apply in respect of any Mortgage Loan charged a fixed rate of interest as at the Closing Date.

The Fixed Rate Swap will be governed by the terms of a Hedge Agreement entered into by the Manager, the Trustee and the Hedge Provider. The initial Hedge Provider under the Fixed Rate Swap will be Australia and New Zealand Banking Group Limited. The Hedge Agreement will be governed by the laws applying in the State of New South Wales.

9.1.2 Fixed Rate Swap

The Hedge 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 on the one hand and the floating Interest Rate payable on the Notes on the other hand.

Under the Fixed Rate Swap, the Trustee will pay a fixed swap rate to the Hedge Provider on each Distribution Date.

The Hedge Provider will in turn pay to the Trustee on each Distribution Date an amount calculated by reference to the Bank Bill Rate plus a margin and based on the aggregate principal amount outstanding on the fixed rate Mortgage Loans as at the opening of business on the first day of the Monthly Period in respect of which the Fixed Rate Finance Charges for the Calculation Period ending on that Distribution Date are calculated. The margin over the Bank Bill Rate payable by the Hedge Provider is calculated by reference to the weighted average margin of the Notes and to certain fixed costs and continues over the life of the Fixed Rate Swap.

If at any time the Hedge Provider does not have the Minimum S&P Uncollateralised Counterparty Rating (an **Initial S&P Rating Event**) then:

(a) the Hedge Provider will, within the required period, post collateral at its own cost and expense in accordance with the provisions of the credit support annex in respect of the Hedge Agreement; and

(b) at any time, at its own discretion and at its own cost and expense, the Hedge Provider may:

   (i) transfer all of its rights and obligations to a replacement third party that has the Minimum S&P Uncollateralised Counterparty Rating (provided that if the replacement third party does not have such ratings at the time such transfer occurs, such replacement third party will post collateral on the date of such transfer under the provisions of the credit support annex in respect of the Hedge Agreement or obtain an eligible guarantee from a guarantor that has such ratings); or

(ii) procure an eligible guarantee from a guarantor that has the Minimum S&P Uncollateralised Counterparty Rating; or

(iii) take such other action (which may, for the avoidance of doubt, include taking no action) (provided that the Manager has delivered a Ratings Affirmation Notice in respect thereof) as will result in the rating of the Notes then outstanding following the taking of such action (or inaction) being maintained at, or restored to, the level it was at immediately prior to such Initial S&P Rating Event,

provided that, in all cases, such action does not result in any requirement for deduction or withholding for or on account of any Tax by the Trustee.

If at any time the Hedge Provider does not have the Minimum S&P Collateralised Counterparty Rating (a **Subsequent S&P Rating Event**) then the Hedge Provider (within the required period) must:

(a) post collateral under the provisions of the credit support annex in respect of the Hedge Agreement or, in certain circumstances, continue to post collateral under such credit support annex; and

(b) use commercially reasonable efforts to:

(i) transfer all of its rights and obligations to a replacement third party that has the Minimum S&P Collateralised Counterparty Rating (provided that if the replacement third party does not have the Minimum S&P Uncollateralised Counterparty Rating at the time such transfer occurs, such replacement third party will post collateral on the date of such transfer under the provisions of the credit support annex in respect of the Hedge Agreement or obtain an eligible guarantee from a guarantor that has the Minimum S&P Uncollateralised Counterparty Rating); or

(ii) obtain an eligible guarantee from a guarantor that has the Minimum S&P Collateralised Counterparty Rating (provided that if the guarantor does not have the Minimum S&P Uncollateralised Counterparty Rating collateral is provided (if required) under the provisions of the credit support annex in respect of the Hedge Agreement); or

(iii) take such other action (which may, for the avoidance of doubt, include taking no action) (provided that the Manager has delivered a Ratings Affirmation Notice) as will result in the rating of the Notes then outstanding following the taking of such action (or inaction) being maintained at, or restored to, the level it would have been at immediately prior to such Subsequent S&P Rating Event.

9.1.3 Early Termination

The Hedge Provider may only terminate the Fixed Rate Swap if among others:

(a) there is a payment default which continues for 3 Business Days after notice by the non-defaulting party;

(b) the performance by the Hedge Provider or the Trustee of any obligations under the Hedge Agreement becomes illegal due to a change in law; or

(c) the Security under the Security Trust Deed is enforced.

9.1.4 Termination of Swaps

The Fixed Rate Swap terminates on the earlier of the:

(a) date on which all Notes are redeemed in full;

(b) Termination Date for the Series Trust;

(c) Distribution Date on which one or more Transfer Proposals are accepted in relation to all Mortgage Loans then forming part of the Assets of the Series Trust and the Manager confirms to the Trustee that no further Mortgage Loans will be acquired by the Trustee; and

(d) date the Clean-Up Offer is exercised in accordance with the Series Supplement in relation to all Mortgage Loans forming part of the Assets of the Series Trust and the Manager confirms to the Trustee that no further Mortgage Loans will be acquired by the Trustee.

On the termination of the Fixed Rate Swap prior to its respective scheduled termination date, the Manager and the Trustee must endeavour to, within three Business Days:

(a) enter into a replacement swap on terms and with a counterparty in respect of which the Manager has issued a Rating Affirmation Notice; or

(b) enter into other arrangements in respect of which the Manager has issued a Rating Affirmation Notice.

9.1.5 Restrictions on Conversions

The Servicer must not, at any time, 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**) other than where it is required to do so by law.

9.2 The Redraw Facility

9.2.1 Purpose of the Redraw Facility

As described in Section 10.2.8 the Seller may, in its discretion and subject to its credit review process, provide Redraws to a mortgagor 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 Adjusted Principal Collections for a Monthly Period are insufficient to reimburse the Seller for such Redraws.

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.

9.2.2 Redraw Facility Provider

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

9.2.3 The Redraw Facility Limit

The maximum amount that can be outstanding at any time under the Redraw Facility is the amount of the **Redraw Facility Limit**, being at any given time an amount equal to the lesser of

(a) 1% of the aggregate Invested Amount of the Notes or such other amount as is agreed in writing from time to time between the Manager and the Redraw Facility Provider (and notified in writing to the Trustee and the Rating Agency); and

(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 (and notified in writing by the Manager to the Redraw Facility Provider and the Rating Agency).

9.2.4 Utilisation of the Redraw Facility

Following the occurrence of a Redraw Shortfall (see Section 7.5.1) advances under the Redraw Facility will be made on a Transfer Date for an amount equal to the lesser of:

(a) the un-utilised portion of the Redraw Facility Limit; and

(b) the Redraw Shortfall,

as determined on the preceding Determination Date.

A drawing may only be made by the Trustee giving the Redraw Facility Provider a drawdown notice prepared by the Manager and signed by the Trustee.

9.2.5 Interest and fees

The duration of each advance under the Redraw Facility is divided into successive interest periods. Interest accrues daily on the principal outstanding under the Redraw Facility at BBSW for that interest period, calculated on days elapsed and a year of 365 days. Interest is payable on each Distribution Date in accordance with the Series Supplement (see Section 7.4.4). Any amount of unpaid interest will itself accrue in accordance with the foregoing on any unpaid interest.

A commitment fee accrues daily from the Issue 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 Series Supplement.

9.2.6 Repayment

The principal outstanding under the Redraw Facility on any Distribution Date is repayable on the following Distribution Date. 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. If amounts due on any Distribution Date 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.

On the Distribution Date immediately following the termination of the Redraw Facility as described in Section 9.2.8 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 Series Supplement. 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 Series Supplement.

9.2.7 Events of Default

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

(a) the Trustee fails to pay any amount due under the Redraw Facility within 10 days of the due date;

(b) the Trustee breaches its undertaking described in Section 9.2.9; or

(c) an Event of Default occurs under the Master Security Trust Deed (as amended by the General Security Deed) (see Section 9.3.2) and action is taken by the Security Trustee pursuant to the Master Security Trust Deed to appoint a receiver in respect of the Assets of the Series Trust or to sell or realise the Assets of the Series Trust or the Security Trustee takes certain other actions pursuant to the 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).

9.2.8 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) 1 month after the 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, in which case, the expiry of 364 days from the commencement date of that extended term;

(c) the date upon which the Redraw Facility Limit is reduced to zero (see Section 9.2.3);

(d) the date on which the Redraw Facility Provider declares the Redraw Facility terminated following an event of default under the Redraw Facility;

(e) the date on which the Redraw Facility Provider, at its discretion, declares the Redraw Facility terminated by written notice to the Trustee and the Manager; and

(f) the date declared by the Trustee to be the date on which the Redraw Facility is to be replaced by a substitute Redraw Facility Provider, subject to the Redraw Facility Provider no longer being the Servicer and the repayment by the Trustee of all amounts outstanding under the Redraw Facility.

9.2.9 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 in respect of the Series Trust only without the prior written consent of the Redraw Facility Provider.

9.3 The Master Security Trust Deed and the General Security Deed

9.3.1 Security

Under the Master Security Trust Deed and the General Security Deed, the Trustee (as **Security Provider**) grants a security interest (the **Security**) over the Secured Property in favour of the Security Trustee to secure the Trustee's obligations (the **Secured Moneys**) to the Noteholders, the Seller, the Redraw Facility Provider, the Servicer, 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 9.3.4).

9.3.2 Events of Default

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

(a)

(i) the Security Provider retires or is removed as trustee of the Series Trust and is not replaced within 30 days and the Manager fails within a further 30 days to convene a meeting of Investors to appoint a new Trustee;

(ii) the Security Trustee has actual notice or is notified by the Security Provider or the Manager that the Security Provider 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 Security Provider in writing to rectify them; or

(iii) 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;

(b) an Insolvency Event occurs in respect of the Security Provider in its capacity as trustee of the Series Trust;

(c) distress or execution is levied or a judgment, order or security interest is enforced, or becomes enforceable against any Secured Property, which, in each case, results in a Senior Adverse Effect in relation to the Secured Series Trust as reasonably determined by the Manager;

(d) the Security:

(i) is or becomes wholly or partly void, voidable or unenforceable; or

(ii) loses the priority it had at or after the date of the General Security Deed (other than by an act or omission of the Security Trustee);

(e) any Transaction Document in relation to the Series Trust is or becomes wholly or partly void, voidable or unenforceable and results in a Senior Adverse Effect in relation to the Secured Series Trust as reasonably determined by the Manager;

(f) without the prior written consent of the Security Trustee the Security Provider transfers, leases or otherwise disposes of or creates any other interest in any part of the Secured Property or attempts to create or allows to exist a security interest over the Secured Property otherwise than in accordance with the Master Security Trust Deed, the General Security Deed, the Master Trust Deed or the Series Supplement;

(g) the Commissioner of Taxation, or its delegate, determines to issue a notice requiring any person obliged or authorised to pay money to the Trustee in relation to the Series Trust to instead pay such money to the Commissioner of Taxation in respect of any tax or fines and costs imposed on the Trustee in relation to the Series Trust;

(h) any Secured Moneys in relation to the Series Trust are not paid within 10 days of when due in accordance with the corresponding Transaction Documents, provided that any failure to pay or repay any such amount relating to:

  (i) the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes or any other Secured Moneys ranking below the payment of amounts relating to the Class A1 Notes, as described in Section 7.5.2 or 7.4.4 (as applicable), whilst the aggregate Stated Amount of the Class A1 Notes is greater than zero; or

  (ii) the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes or any other Secured Moneys ranking below the payment of amounts relating to the Class A2 Notes, as described in Section 7.5.2 or 7.4.2 (as applicable), whilst the aggregate Stated Amount of the Class A2 Notes is greater than zero; or

  (iii) the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes or any other Secured Moneys ranking below the payment of amounts relating to the Class B Notes, as described in Section 7.5.2 or 7.4.4 (as applicable), whilst the aggregate Stated Amount of the Class B Notes is greater than zero;

  (iv) the Class D Notes, the Class E Notes or the Class F Notes or any other Secured Moneys ranking below the payment of amounts relating to the Class C Notes, as described in Section 7.5.2 or 7.4.4 (as applicable), whilst the aggregate Stated Amount of the Class C Notes is greater than zero; or

  (v) the Class E Notes or the Class F Notes or any other Secured Moneys ranking below the payment of amounts relating to the Class D Notes, as described in Section 7.5.2 or 7.4.4 (as applicable), whilst the aggregate Stated Amount of the Class D Notes is greater than zero; or

  (vi) the Class F Notes or any other Secured Moneys ranking below the payment of amounts relating to the Class E Notes, as described in Section 7.5.2 or 7.4.4 (as applicable), whilst the aggregate Stated Amount of the Class E Notes is greater than zero,

is not an Event of Default; or

(i) any other event occurs which is described in a Transaction Document relating to the Secured Series Trust as an Event of Default in relation to the Secured Series Trust.

If an Event of Default occurs then the Charge becomes fixed:

(a) over all the Non-PPSA Secured Property if the Event of Default is one of those described in paragraphs (a), (b), (d), (e), or (h) above; or

(b) over the Non-PPSA Secured Property affected if the Event of Default is one of those described in paragraph (c) or (f) above.

9.3.3 Enforcement

If the Security Trustee becomes actually aware that an Event of Default has occurred it must notify the Secured Creditors and the Rating Agency and convene a meeting of the Secured Creditors to seek the directions contemplated by this Section 9.3.3.

At that meeting, the Secured Creditors must vote by extraordinary resolution (being not less than 75% of all votes cast or a written resolution signed by all 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 Provider to sell and realise the Secured Property and otherwise enforce the Security; and/or

(d) take such further action as the 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 Secured Creditors only if the Security Trustee is adequately indemnified from the Secured Property or has been indemnified by the Secured Creditors in a form reasonably satisfactory to the Security Trustee (which may be by way of an extraordinary resolution of the 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 Secured Creditors or is required by an extraordinary resolution of the Secured Creditors to take any action in relation to the enforcement of the Security and the Security Trustee advises the Secured Creditors that it will not take that action in relation to the enforcement of the Security unless it is personally indemnified by the 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 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 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 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 Secured Property) 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 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 Secured Creditors would be prejudicial to the interests of the Secured Creditors.

The Security Trustee is entitled, on such terms and conditions it deems expedient, without the consent of the 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.

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

The proceeds from the enforcement of the Security are to be applied in the following order of priority, subject to any statutory or other priority which may be given priority by law:

(a) first, 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);

(b) second, 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) third, in payment towards satisfaction of any fees due to the Security Trustee;

(d) fourth, in payment towards satisfaction of any fees due to the receiver;

(e) fifth, in payment *pari passu* and rateably 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 or the General Security Deed;

(f) sixth, in payment of other security interests over the Secured Property which the Security Trustee is aware have priority over the Security including any Prior Interests, in the order of their priority;

(g) seventh, in payment *pari passu* and rateably:

    (i) to the Seller the amount of all Redraws made by the Seller which have not been reimbursed by the Security Provider; and

    (ii) to the Servicer of any amounts owing to the Servicer;

    (iii) to the Manager of any amounts owing to the Manager;

(iv) to each Hedge Provider under a Hedge Agreement of any Secured Moneys owing to the Hedge Provider under the relevant Hedge Agreement (other than any Subordinated Termination Payments in respect of a Hedge Provider); and

(v) to the Redraw Facility Provider of any amounts owing to the Redraw Facility Provider under the Redraw Facility Agreement;

(h) eighth, in payment to the Class A1 Noteholders, first towards any accrued but unpaid interest on the Class A1 Notes (to be distributed *pari passu* and rateably between the Class A1 Noteholders) and second, in reduction of the Stated Amount of the Class A1 Notes and reimbursement of any Charge-Offs in respect of the Class A1 Notes remaining unreimbursed (to be distributed *pari passu* and rateably between the Class A1 Noteholders);

(i) ninth, in payment to the Class A2 Noteholders, first towards any accrued but unpaid interest on the Class A2 Notes (to be distributed *pari passu* and rateably between the Class A2 Noteholders) and second, in reduction of the Stated Amount of the Class A2 Notes and reimbursement of any Charge-Offs in respect of the Class A2 Notes remaining unreimbursed (to be distributed *pari passu* and rateably between the Class A2 Noteholders);

(j) tenth, in payment to the Class B Noteholders, first towards any accrued but unpaid interest on the Class B Notes (to be distributed *pari passu* and rateably between the Class B Noteholders) and second, in reduction of the Stated Amount of the Class B Notes and reimbursement of any Charge-Offs in respect of the Class B Notes remaining unreimbursed (to be distributed *pari passu* and rateably between the Class B Noteholders);

(k) eleventh, in payment to the Class C Noteholders, first towards any accrued but unpaid interest on the Class C Notes (to be distributed *pari passu* and rateably between the Class C Noteholders) and second, in reduction of the Stated Amount of the Class C Notes and reimbursement of any Charge-Offs in respect of the Class C Notes remaining unreimbursed (to be distributed *pari passu* between the Class C Noteholders);

(l) twelfth, in payment to the Class D Noteholders, first towards any accrued but unpaid interest on the Class D Notes (to be distributed *pari passu* and rateably between the Class D Noteholders) and second, in reduction of the Stated Amount of the Class D Notes and reimbursement of any Charge-Offs in respect of the Class D Notes remaining unreimbursed (to be distributed *pari passu* between the Class D Noteholders);

(m) thirteenth, in payment to the Class E Noteholders, first towards any accrued but unpaid interest on the Class E Notes (to be distributed *pari passu* and rateably between the Class E Noteholders) and second, in reduction of the Stated Amount of the Class E Notes and reimbursement of any Charge-Offs in respect of the Class E Notes remaining unreimbursed (to be distributed *pari passu* between the Class E Noteholders);

(n) fourteenth, in payment to the Class F Noteholders, first towards any accrued but unpaid interest on the Class F Notes (to be distributed *pari passu* and rateably between the Class F Noteholders) and second, in reduction of the Stated Amount of the Class F Notes and reimbursement of any Charge-Offs in respect of the Class F Notes remaining unreimbursed (to be distributed *pari passu* between the Class F Noteholders);

(o) fifteenth, in or towards payment *pari passu* and rateably of any Subordinated Termination Payments payable by the Trustee to a Hedge Provider in accordance with the relevant Hedge Agreement;

(p) sixteenth, in payment *pari passu* and rateably to each Secured Creditor any remaining amounts owing to that Secured Creditor which are secured under the Master Security Trust Deed;

(q) seventeenth, in payment of subsequent security interests over the Secured Property of which the Security Trustee is aware in the order of their priority; and

(r) finally, in payment of the surplus (if any) to the Security Provider to be distributed in accordance with the terms of the Master Trust Deed and the Series Supplement.

9.3.5 Repayment of Collateral

Any Secured Property provided to the Security Provider as a prepayment by the Servicer of Collections as described in Section 2.5 under the heading "Collections" will not be available for distribution in accordance with Section 9.2.4. Any such prepayment shall be returned to the Servicer except to the extent necessary to satisfy the Servicer's obligations to remit Collections to the Trustee in accordance with the Series Supplement.

For the purposes of Section 9.3.4 the Secured Moneys will be calculated after any distribution as described in this Section 9.3.5.

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

The Security Trustee, the Manager and the Security Provider 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 or tax accountant instructed by the Security Trustee), is necessary or expedient to comply with any statute, ordinance, regulation or by-law or with the requirements of any statutory authority;

(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 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 and the Security Provider is otherwise desirable for any reason.

The Manager must provide written notice of such amendment as referred to in paragraphs (a) to (e) above to the Rating Agency at least 5 Business Days (or such other time as is agreed between the Manager and the Rating Agency) prior to the amendment taking effect.

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 all Noteholders or of a particular class of Noteholders, then the amendment can only be made if an extraordinary resolution approving the amendment is passed by all Noteholders or Noteholders of the relevant class (being a resolution requiring not less than 75% of all votes cast or a written resolution signed by the relevant Noteholders). If in the opinion of the Security

Trustee the proposed amendment will be or is likely to be materially prejudicial to a particular Secured Creditor, such amendment can only be effected of that Secured Creditor consents to the same.

The Security Trustee is entitled to assume that a proposed amendment will not be materially prejudicial to the interests of the Noteholders or a class of them if the Manager issues a Rating Affirmation Notice in relation to the proposed amendment.

9.3.7 Security Trustee Costs and Remuneration

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 Security Provider.

9.3.8 Limitations on Security Trustee's and Security Provider's Liability

The Security Trustee's liability under the Master Security Trust Deed is limited to the amount the Security Trustee is able to be satisfied out of the assets held on trust by it under the Master Security Trust Deed from which the Security Trustee is actually indemnified for the liability. However, this limitation will not apply to the extent that the Security Trustee's right of indemnity is reduced as a result of fraud, gross negligence or wilful misconduct on the part of the Security Trustee.

The Security Provider's liability under the Master Security Trust Deed is limited to the extent to which it can be satisfied out of the Assets of the Series Trust out of which the Security Provider is actually indemnified for the liability, except in the case of fraud, gross negligence or wilful misconduct on the part of the Security Provider.

In no event will the Security Trustee or the Security Provider 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 or the Security Provider (as the case may be) 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 or the Security Provider (as the case may be) and any other causes beyond the Security Trustee or the Security Provider's (as the case may be) control.

Each of the Security Trustee or the Security Provider will 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 or the Security Provider (as the case may be) 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 (except to the extent that there is a determination by a relevant court of fraud by the Security Trustee or the Security Provider, as the case may be).

9.3.9 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 Security Provider 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 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 Security Provider or the Manager which comes into the possession of the Security Trustee;

(f) the Security Provider 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 Security Provider or the Manager.

9.3.10 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;

(b) it ceases to carry on business;

(c) a Related Body Corporate of it retires as trustee of the Series Trust under the Master Trust Deed 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) when required to do so by the Manager or the Trustee by notice in writing, it fails or neglects within 20 Business Days after receipt of such notice to carry out or satisfy any material duty imposed on it under the Master Security Trust Deed in respect of the Security Trust; or

(e) there is a change in ownership of 50% or more of its issued equity share capital from the position as at the date of the Master Security Trust Deed or effective control of the Security Trustee alters from the position as at the date of the Master Security Trust Deed unless in either case approved by the Manager.

If the Security Trustee refuses to retire immediately after any of these events have occurred, the Manager may remove the Security Trustee from office immediately. If this occurs the Trustee must use its best endeavours to appoint as soon as reasonably practicable a substitute Security Trustee in respect of which the Manager issues a Rating Affirmation Notice. If the Trustee does not appoint a substitute Security Trustee the Manager must use reasonable endeavours to appoint a substitute Security Trustee in respect of which it issues a Rating Affirmation Notice.

If the Manager is unable to appoint a substitute Security Trustee at a time when the position of Security Trustee becomes vacant, it must promptly convene a meeting of Secured Creditors to appoint any person nominated by any of them to act as Security Trustee at which 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.

9.3.11 Voluntary Retirement of the Security Trustee

The Security Trustee may only voluntarily retire if it gives 3 months' notice in writing to the Trustee, the Manager and the Rating Agency (or such lesser time as the Manager, the Trustee, the Rating Agency and the Security Trustee agree).

If the Security Trustee does not appoint a substitute (whose appointment is approved by the Manager and in respect of which the Manager issues a Rating Affirmation Notice, such approval is not to be unreasonably withheld) by the date at least 1 month prior to the date of its proposed retirement, the Manager may appoint a substitute Security Trustee (in respect of which it has issued a Rating Affirmation Notice), as of the date of the proposed retirement.

If the Manager is unable to appoint a substitute Security Trustee at a time when the position of Security Trustee becomes vacant, it must convene a meeting of Secured Creditors to appoint any person nominated by any of them to act as Security Trustee at which 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.

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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 purpose of the Trustee:

(a) acquiring (and disposing of) Mortgage Loan Rights and other 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 and the Series Supplement),

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 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, other than to the extent that they already comprise Seller Trust Assets, will also be sold to the Trustee for the Series Trust:

(a) the mortgages and collateral securities securing the Mortgage Loans; and

(b) all other loans (the **Other Loans**) secured by the mortgages and collateral securities referred to above.

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 (the **Seller Collateral Securities**) 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. 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 **Seller Trust Assets**.

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 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.

The Disposing Trust has the benefit of any accrued interest, and bears the cost of any outgoings, in respect of the Assigned Assets for the period from the Cut-Off Date up to (but excluding) the Issue Date and the Acquiring Trust has the benefit of such receipts and bears such costs for the period after (and including) that Issue Date. The Manager may either:

(a) direct the trustee as trustee of the Acquiring Trust to pay an advance (an **Adjustment Advance**) to the Disposing Trust on the Issue Date which will entitle the Trustee to further Collections accrued on the Mortgage Loans in respect of interest for the period from the Cut-Off Date to (but excluding) the Issue Date up to the amount of the Adjustment Advance; or

(b) direct the trustee as trustee of the Acquiring Trust to debit or credit (a **Post-Settlement Adjustment**) the accounts of the Disposing Trust and the Acquiring Trust on or after the Issue Date with such amounts as are necessary to ensure that the Disposing Trust has the benefit of any receipts (other than in the nature of principal), and bears the costs of any outgoings, in respect of the Mortgage Loans relating to the period from the Cut-Off Date to (but excluding) the Issue Date.

The Series Trust will be an Acquiring Trust in respect of the Existing Disposing Trust Mortgage Loans (the Existing Disposing Trust being the Disposing Trust). An Adjustment Advance will be paid by the Trustee to each Existing Disposing Trust.

10.2 Assignment of Mortgage Loans

10.2.1 Assignment of Mortgage Loans

With effect from the Cut-Off Date on payment of the consideration described in Section 10.2.3:

(a) the Seller will equitably assign, in the case of the Seller Mortgage Loans; and

(b) each Existing Disposing Trust will equitably assign its,

entire interest in, to and under the following to the Trustee (in its capacity as trustee of the Series Trust):

(i) the Seller Mortgage Loans and the Existing Disposing Trust Mortgage Loans, as the case may be;

(ii) all Other Loans in existence from time to time in relation to the Seller Mortgage Loans and the Existing Disposing Trust Mortgage Loans, as the case may be;

(iii) all mortgages in existence from time to time in relation to the Seller Mortgage Loans and the Existing Disposing Trust Mortgage Loans, as the case may be;

(iv) all collateral securities in existence from time to time securing the Seller Mortgage Loans and the Existing Disposing Trust Mortgage Loans, as the case may be;

(v) the Mortgage Insurance Policies;

(vi) all moneys owing at any time thereafter in connection with the Seller Mortgage Loans and the Existing Disposing Mortgage Loans, as the case may be; and

(vii) 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) or, if in the relevant jurisdiction title is maintained in digital form, the non-issue title or other digital registration confirmation, notification or statement, in relation to the land secured by the mortgages (the **Mortgage Loan Documents**),

provided that any such interest which is a Seller Trust Asset will not be assigned to the Trustee (in its capacity as trustee of the Series Trust) but rather will continue to be held by the Trustee as trustee of the Seller Trust as described in Section 10.1.2.

The items referred to in paragraphs (i) to (vii) above are together known as the **Mortgage Loan Rights**. If any mortgages or collateral securities are granted after the Issue Date which secure a Mortgage Loan or an insurance policy or any Mortgage Loan Document is entered into in connection with a Mortgage Loan after the Issue Date, these will be also assigned to the Trustee.

Some of the Seller's security documentation relating to the Mortgage Loans are expressed to secure "all moneys" owing to the Seller by the mortgagor on any account. It is therefore possible that a security held by the Seller in relation to other facilities provided by it could secure a Mortgage Loan, even though in the Seller's records the particular security was not taken for this purpose. 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. Any other securities which by the terms of their "all moneys" clauses 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 Loan Documents" should be construed accordingly.

If the Servicer 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.

The Trustee will assume the risk of losses with respect to the Mortgage Loans acquired by the Trustee arising from any default by a mortgagor. 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.

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 Loan Documents unless a Perfection of Title Event under the Master Sale and Servicing Deed occurs (see Section 10.2.13).

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

On the Issue Date the Trustee will, in consideration of the assignment of the Mortgage Loans and related securities pay to:

(a) the Seller, the total principal amount outstanding (as recorded on the Servicer's database) in respect of the Seller Mortgage Loans calculated as at the Cut-Off Date. On the first Distribution Date (and each subsequent Distribution Date thereafter until paid in full), the Trustee will also pay the Accrued Interest Adjustment in respect of the Seller Mortgage Loans to the Seller as described in Section 7.4.4; and

(b) each Existing Disposing Trust, the total principal amount outstanding (as recorded on the Servicer's database) in respect of the Existing Disposing Trust Mortgage Loans relating to that Existing Disposing Trust calculated as at the Cut-Off Date. On the first Distribution Date (and each subsequent Distribution Date thereafter until paid in full), the Trustee will also pay the Adjustment Advance to each Existing Disposing Trust in respect of the Existing Disposing rust Mortgage Loans relating to that Existing Disposing Trust as described in Section 10.1.3.

To the extent that the amount subscribed by the initial Noteholders exceeds the aggregate of the consideration payable in respect of the purchased Mortgage Loans as set out in paragraphs (a) and (b) above and the Required Liquidity Reserve, the excess will form part of the Collections for the first Monthly Period (see Section 7.3.1).

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

Seller Mortgage Loans

Under the Master Sale and Servicing Deed and the Warehouse Series Supplement, the Seller makes (as at the Cut-Off Date) representations and warranties in relation to the Seller Mortgage Loans and related securities being assigned to the Trustee. Those representations and warranties in relation to the Seller Mortgage Loans are summarised as follows:

(a) at the time the Seller entered into the mortgages relating to the Mortgage Loans, those mortgages complied in all material respects with applicable laws;

(b) at the time the Seller entered into the Mortgage Loans, it did so in good faith;

(c) at the time the Seller entered into the Mortgage Loans, the Mortgage Loans were originated in the ordinary course of the Seller's business;

(d) at the time the Seller entered into the Mortgage Loans, all necessary steps were taken to ensure that, each related mortgage complied with the legal requirements applicable at that time to be:

   (i) a first ranking mortgage; or

(ii) where the Seller already held the first ranking mortgage, a second ranking mortgage, (subject to any statutory charges, any prior charges of a body corporate, service company or equivalent, whether registered or otherwise, and any other prior security interests which do not prevent the mortgage from being considered to be a first ranking mortgage or a second ranking mortgage, as the case may be, in accordance with the Servicing Standards), in either case secured over land, subject to stamping and registration in due course;

(e) where there is a second or other mortgage securing a Mortgage Loan and the Seller is not the mortgagee of that second or other mortgage, satisfactory priority arrangements have been entered into to ensure that the mortgage ranks ahead in priority to the second or other mortgage on enforcement for at least the principal amount and accrued but unpaid interest on the Mortgage Loan plus such extra amount determined in accordance with the Operations Manual;

(f) at the time the relevant Mortgage Loans were approved, the Seller had received no notice of the insolvency or bankruptcy of the borrowers or any guarantors or security providers or any notice that any such person did not have the legal capacity to enter into the relevant mortgage;

(g) the Seller is the sole legal and beneficial owner of the Mortgage Loan and the related securities and, subject to paragraph (d) above, no prior ranking security interest exists (to its knowledge) in relation to its interest in the Mortgage Loan and related securities (other than, in each case, under the Mortgage Insurance Policies and other related insurance policies);

(h) each of the relevant Mortgage Loan Documents (other than the Mortgage Insurance Policies and other related insurance policies) which is required to be stamped with stamp duty has been duly stamped;

(i) the Mortgage Loans have not been satisfied, cancelled, discharged or rescinded and the property relating to each relevant mortgage has not been released from the security of that mortgage;

(j) the Seller holds, in accordance with the Servicing Standards, all documents which it should hold to enforce the provisions of the securities relating to Mortgage Loans;

(k) other than the Mortgage Loan Documents and documents entered into in accordance with the Servicing Standards, there are no documents entered into by the Seller and the mortgagor or any other relevant party in relation to the Mortgage Loans which would qualify or vary the terms of the Mortgage Loans;

(l) other than in respect of priorities granted by statute, the Seller has not received notice from any person that it claims to have a security interest ranking in priority to or equal with the Seller's mortgage;

(m) the Seller is not aware of any restrictive covenants, licences or leases existing in respect of land the subject of any relevant mortgage which reduce the value of the mortgage over such land so that the LVR in respect of the relevant Mortgage Loan exceeds 95% as at the date that that Mortgage Loan was assigned to the relevant Existing Disposing Trust;

(n) the Mortgage Loans comply with the eligibility criteria of the relevant Existing Disposing Trust as at the date that they were assigned to that Existing Disposing Trust (see Section 6.4);

(o) the Seller holds all consents, licences, approvals, authorisations and exemptions from any Governmental Agency required for, or in connection with, performance and enforceability in respect of the Mortgage Loan which, in accordance with the Servicing Standards, it should hold in relation to the Mortgage Loan;

(p) except in relation to fixed rate Mortgage Loans (or those which can be converted to a fixed rate or a fixed margin over a benchmark) and as may be provided by applicable laws, binding codes and competent authorities binding on the Seller, there is no limitation affecting, or consent required from a borrower to effect, a change in the interest rate under the Mortgage Loans, and a change in interest rate may be set at the sole discretion of the Servicer;

(q) the Mortgage Loans will be insured as at the relevant closing date under the terms of a Mortgage Insurance Policy;

(r) the Seller is lawfully entitled to sell the Mortgage Loans and related securities to the Trustee free of all security interests and, so far as the Seller is aware, adverse claims or other third party rights or interests;

(s) the provisions of all legislation (if any) relating to the sale of the Mortgage Loans and related securities have been complied with;

(t) the sale of the Mortgage Loans and related securities will not constitute a transaction at an undervalue, a fraudulent conveyance or a voidable preference under any insolvency laws;

(u) the sale of the Mortgage Loans and related securities will not constitute a breach of the Seller's obligations or a default under any security interest granted by the Seller or affecting the Seller's assets;

(v) there are no Linked Accounts in relation to any Mortgage Loan other than any Interest Off-Set Account relating to the Mortgage Loan;

(w) the terms of the loan agreements relating to the Mortgage Loans require payments in respect of the Mortgage Loans to be made to the Seller free of set-off;

(x) each Mortgage Loan Document relating to the Mortgage Loan is legal, valid, binding and enforceable in accordance with its terms, except as limited by any applicable laws;

(y) no fraud or misrepresentation has taken place in connection with the origination of the Mortgage Loan and the sale of the Mortgage Loan to the Trustee; and

(z) the Approved Mortgage Insurer who has provided the relevant Mortgage Insurance Policy has consented to the assignment of the Mortgage Insurance Policy to the relevant Existing Disposing Trust (if required).

Existing Disposing Trust Mortgage Loans

Under the Master Sale and Servicing Deed and in the relevant sale notice, the Seller made (as at the cut-off date in respect of the assignment of the relevant Existing Disposing Trust Mortgage Loans by the Seller to the relevant Existing Disposing Trust) each of the representations and warranties set out in paragraphs (a) to (z) above in relation to the Existing Disposing Trust Mortgage Loans and related securities to BNY Trust Company of Australia Limited as trustee of the relevant Existing Disposing Trust. The benefit of such representations and warranties will be assigned by BNY Trust Company of Australia Limited as trustee of the relevant Existing Disposing Trust to the Trustee on and from the Cut-Off Date.

Accordingly, no fresh representations and warranties are given by either the Seller or the trustee of each Existing Disposing Trust in relation to the Existing Disposing Trust Mortgage Loans upon their assignment to the Trustee. However, upon the assignment of the Existing Disposing Trust Mortgage Loans to the Trustee, the Manager will give the Trustee certain certifications in respect of the Existing Disposing Trust Mortgage Loans (see Section 10.2.5).

10.2.5 Manager's Certifications as to Existing Disposing Trust Mortgage Loans under Transfer Proposal

No fresh representations and warranties will be given by either the Seller or the trustee of each Existing Disposing Trust in relation to the Existing Disposing Trust Mortgage Loans upon their assignment to the Trustee. However under the relevant Transfer Proposal, the Manager will certify, to the best of its knowledge and belief, certain facts in respect of the Existing Disposing Trust Mortgage Loans. Those certifications are made by the Manager for the benefit of the Trustee and are summarised as follows:

(a) nothing has come to the Manager's knowledge which would lead it to believe that any of the representations or warranties in relation to the Existing Disposing Trust Mortgage Loans provided to each Existing Disposing Trust by the Seller upon the first acquisition of those Existing Disposing Trust Mortgage Loans by the trustee of the Existing Disposing Trust were incorrect, untrue or misleading in any material respect at the time they were made or given, other than as disclosed to the Trustee in the schedule to the relevant Transfer Proposal;

(b) nothing has come to the Manager's knowledge which would lead it to believe that there has been any material change in respect of any of the matters referred to in the representations and warranties referred to in paragraph (a) above which would adversely affect the benefit of the security provided by the Existing Disposing Trust Mortgage Loans, other than as disclosed to the Trustee in the schedule to the relevant Transfer Proposal;

(c) between the date of first acquisition of the Existing Disposing Trust Mortgage Loans by the relevant Existing Disposing Trust and the date of the relevant Transfer Proposal there has been no material default under the corresponding Existing Disposing Trust Mortgage Loans, other than as disclosed in writing to the Trustee in the schedule to the relevant Transfer Proposal; and

(d) based on a certificate provided by the Servicer, the Existing Disposing Trust Mortgage Loans will meet the Eligibility Criteria of the Series Trust as at the Cut-Off Date.

10.2.6 Trustee Entitled to Assume Accuracy of Representations and Warranties

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).

10.2.7 Consequences of a Breach of the Representations and Warranties

If the Seller, the Manager or the Trustee becomes actually aware that a material 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 any 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 Issue 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 unpaid 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 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 10.2.13 below.

10.2.8 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 mortgagor after the Issue 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.

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 the Scheduled Balance of that Mortgage Loan being exceeded by more than 1 scheduled monthly instalment, 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. 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 as described in Section 7.4.4. On each Distribution Date, the Seller will then look to the Trustee for reimbursement of Redraws made during the previous Monthly Period which have not already been reimbursed to it.

The Seller must not make a Further Advance which it records as a debit to the account in its records for an existing Mortgage Loan and which leads to the Scheduled Balance of that Mortgage Loan being exceeded by more than 1 scheduled monthly instalment unless the Seller pays to the Trustee an amount equal to the sum of the principal amount owing in respect of that Mortgage Loan before the Further Advance was made and the accrued but unpaid interest owing in respect of the Mortgage Loan before the Further Advance was made. This amount must be allocated by the Trustee to the Collections Account of the Series Trust and the Trustee will hold that Mortgage Loan and its related securities for the Seller as trustee of the Seller Trust. However, the Trustee is entitled to retain for the Series Trust all Collections received by the Trustee pursuant to that Mortgage Loan from the Cut-Off Date to the date the Further Advance was made and the Mortgage Loan will be treated as having been repaid in full by the payment by the Seller to the Trustee of the amount referred to above. The Seller may, in its absolute discretion, determine whether to make the payment in respect of a Mortgage Loan the subject of a Further Advance as set out above however, if the Seller determines not to make such payment, the Seller must not make that Further Advance.

If upon request of a mortgagor in relation to a Mortgage Loan, the Seller consents to a borrower converting the rate on its Mortgage Loan from a variable rate of interest to a fixed rate of interest (a **Conversion**) or provides 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 two preceding paragraphs if the Seller is aware that the mortgagor with respect to the relevant Mortgage Loan is in default of its obligations under the Mortgage Loan.

The Servicer has agreed that it will not, at any time, consent to any Conversion of any Mortgage Loan which is an Asset of the Series Trust other than where the Conversion is required by law, other Binding Provision or the order of a Competent Authority, in which case the Servicer may consent to the Conversion provided that the Mortgage Loan will immediately be treated in accordance with the preceding two paragraphs.

10.2.9 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.

10.2.10 Clean-Up Offer

If the aggregate principal amount outstanding on the Mortgage Loans is, on the last day of a Monthly Period, when expressed as a percentage of the aggregate principal amount outstanding on the Mortgage Loans at the Issue Date, below the Clean-Up Percentage then the Trustee must, if so directed by the Manager and if the Manager has notified the Trustee of the Clean-Up Settlement Price, give the Seller a notice to that effect at least 2 Business Days prior to the next Determination Date. 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 next 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 Monthly Period which ended prior to the payment of the Clean-Up Settlement Price by the Seller. The Manager may direct the Trustee to give the Seller a Clean-Up Offer pursuant to this Section 10.2.10 in respect of any Distribution Date occurring after the Clean-Up Date.

The payment by the Trustee to Noteholders on the Distribution Date following payment by the Seller of the Clean-Up Settlement Price will be in full and final redemption of the Notes, regardless of any unreimbursed Charge-Offs. However, if the Clean-Up Settlement Price is not at least equal to the principal amount outstanding plus accrued interest in respect of each Mortgage Loan, then the Clean-Up Offer will be conditional upon an extraordinary resolution of Noteholders approving the Clean-Up Settlement Price.

10.2.11 Transfer of Mortgage Loans from the Series Trust

The Manager may direct the Trustee to accept a Transfer Proposal under the Master Trust Deed in respect of which the Series Trust is the Disposing Trust, on a Distribution Date occurring after the Clean-Up Date.

The Manager may give the Trustee such a direction where the aggregate of the Transfer Amount in relation to that Transfer Proposal, together with any Adjustment Advance in relation to the Assigned Assets specified in that Transfer Proposal payable to the Trustee as trustee of the Series Trust is an amount at least equal to either:

(a) the aggregate on the Assignment Date in relation to that Transfer Proposal of the Invested Amount of the Notes and the Interest accrued and payable on the Notes; or

(b) if approved by an Extraordinary Resolution of all Noteholders, the aggregate on the Assignment Date in relation to that Transfer Proposal of the Stated Amount of the Notes and the Interest accrued and payable on the Notes;

On the Assignment Date, the Trustee's entire right, title and interest in the Assigned Assets in relation to that Transfer Proposal will be transferred with effect from the cut-off date specified in that Transfer Proposal to the Trustee as trustee of the Acquiring Trust.

The payment by the Trustee to Noteholders on the Distribution Date following receipt by the Trustee of the aggregate of the Transfer Amount in relation to that Transfer Proposal and the Adjustment Advance in relation to the Assigned Assets the subject of that Transfer Proposal will be in full and final redemption of the Notes, regardless of any unreimbursed Charge-Offs.

10.2.12 Noting Interest on Property Insurance

Following the Issue Date, the Servicer must either:

(a) require that when each insurance policy which forms part of the Assets of the Series Trust is renewed, it is noted on the insurance policy that the Seller's interest as mortgagee includes its assigns (whether legal or equitable) or such other form of wording as the Trustee and the Manager approve; or

(b) take such other approach as is approved by the Trustee, the Manager and the Rating Agency.

10.2.13 Perfection of Title Event

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

(a) the Seller makes any representation under the Master Sale and Servicing Deed (see Section 10.2.4) which is incorrect when made (other than a representation or warranty referred to in Section 10.2.4 which results in the Seller paying the Trustee any amount referred to in Section 10.2.7) and it 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);

(b) the Trustee is not paid in full an amount owing to it by the Seller (in any capacity) under any Transaction Document within 10 Business Days of its due date for payment (or such longer period as the Trustee may agree to);

(c) if the Seller is the Servicer, a Servicer Default occurs (see Section 10.5.4); or

(d) an Insolvency Event occurs in relation to the Seller.

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 the Rating Agency unless the Manager has issued a Rating Affirmation Notice in relation to the failure of the Trustee to perfect its title to the mortgages, and specify in that notice the reason why it believes an Adverse Effect to the Series Trust has occurred or will occur.

If the Trustee declares that a Perfection of Title Event has occurred, the Trustee and the Manager must immediately 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 mortgagors (including informing them, where appropriate, of the Series Trust bank account to which they should make future payments) of the sale of the Mortgage Loans and mortgages, and must take possession of the Seller's loan files in relation to the Mortgage Loans, subject to the Privacy Act and the Seller's duty of confidentiality to its customers under general law or otherwise.

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 Loan 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 and the Series Supplement.

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 its best 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 Assets of the Series Trust separate from the assets of 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 under the Master Sale and Servicing Deed has occurred 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 proposals or in accordance with the Transaction Documents;

(b) purchase and sell any asset of the Series Trust upon terms in accordance with the written proposals 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, 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, the Security Trustee, a Related Body Corporate or any other person permitted by the Master Trust Deed or the Series Supplement to be attorney or agent 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 Monthly 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 Monthly Period. The Trustee's fee may also be adjusted, either by agreement or by expert determination, so that the Trustee is not economically advantaged or disadvantaged in relation to the supplies provided by it under the Series Supplement by the abolition of, change in the rate of, or any amendment to the legislation imposing, the goods and services tax. The Trustee is entitled to be reimbursed out of the Assets of the Series Trust in respect of all expenses 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 negligence, fraud or wilful default except where such allegation is found by the court to be correct.

10.3.7 Retirement, Removal and Replacement of the Trustee

The Trustee must retire as trustee of the Series Trust and each other series trust constituted under the Master Trust Deed if:

(a) it 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 it in its personal capacity;

(c) it ceases to carry on business;

(d) it merges or consolidates with another entity without obtaining the approval of the Manager and the resulting merged or consolidated entity does not assume the Trustee's obligations (which approval must not be unreasonably withheld) under the Transaction Documents;

(e) there is a change in the ownership of 50% or more of its issued share capital from that as at the date of the Master Trust Deed or effective control of the Trustee alters from that as at the date of the Master Trust Deed, unless in either case approved by the Manager (which approval must not be unreasonably withheld).

The Manager may require the Trustee to retire if it believes in good faith that any of these events have occurred. If the Trustee refuses to retire within 30 days after either the occurrence of one of the above events or notice from the Manager, the Manager may remove the Trustee from office immediately.

The Manager must use reasonable endeavours to appoint a substitute Trustee in respect of which the Manager issues a Rating Affirmation Notice within 30 days of the required 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).

10.3.8 Voluntary Retirement of the Trustee

The Trustee may only voluntarily retire if it gives the Manager 3 months written notice or such lesser time as the Manager and the Trustee agree. Upon retirement the Trustee must appoint a substitute Trustee who is approved by the Manager and in respect of which the Manager issues a Rating Affirmation Notice.

If the Trustee does not appoint a substitute in respect of which the Manager has issued a Rating Affirmation Notice by the date at least 1 month prior to its proposed retirement, the Manager must use its reasonably endeavours appoint a substitute Trustee in respect of which the Manager issues a Rating Affirmation Notice in relation to each Series Trust.

If the Manager is unable to appoint a substitute Trustee by the date of the Trustee's proposed retirement and the Trustee has not itself procured the appointment of a replacement, 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 (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 meeting, the Investors do not appoint a Substitute Trustee, the Trustee may appoint as trustee of the Series Trusts in writing a Substitute Trustee in respect of which the Manager issues a Rating Affirmation Notice.

10.3.9 Substitute Trustee

The appointment of a substitute Trustee will not be effective until the Manager has issued a Rating Affirmation Notice in relation to the appointment of that substitute Trustee and 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.

10.3.10 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, gross negligence or wilful misconduct on the part of the Trustee.

10.3.11 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's liability in its capacity as trustee of the Series Trust to the Noteholders and to others is limited by those provisions to the amount the Trustee is entitled to recover through its right of indemnity from the Assets of the Series Trust out of which the Trustee is actually indemnified for the liability. However, this limitation does not apply if the Trustee's right of indemnity is limited as a result of fraud, gross 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. This limitation of the Trustee's liability applies despite any other provision of the Transaction Documents and extends to all liabilities and obligations of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Series Trust.

The Trustee is not liable to any person for any losses, costs, liabilities or expenses arising out of the exercise or non-exercise of its discretion (or by the Manager, the Seller or the Servicer of its discretions) or for any instructions or directions given to it by the Manager, the Seller or the Servicer, except to the extent that any obligation or liability arises as a result of 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.

Except where the Trustee is disentitled by reason of fraud, gross 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), the Trustee will be indemnified out of the Assets of the Series Trust against all losses and liabilities properly incurred by it in performing any of its duties or exercising any of its powers under the Transaction Documents in its capacity as trustee of the Series Trust.

In no event will the 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 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 Trustee and any other causes beyond the Trustee's control.

The Trustee will 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 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 (except to the extent that there is a determination by a relevant court of fraud by the Trustee.

Notwithstanding the above, where the Trustee is held liable for breaches under the Consumer Credit Code, the Trustee must seek relief initially under any indemnities provided to it by the Manager, the Servicer or the Seller before exercising its right of indemnity to recover against any Assets of the Series Trust.

If the Trustee 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 Trustee), 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 or the Trustee or both of them so long as separate instructions are given to that expert by the Trustee.

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 its best 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 such prudence as a prudent person of business would exercise in performing its express functions and in exercising its discretions under the Master Trust Deed and the other Transaction Documents, 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.

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 Monthly Period calculated based upon the actual number of days in the Monthly Period divided by 365 and a percentage of the principal amount outstanding on the Mortgage Loans as at the end of the relevant Monthly Period. The Manager may agree to adjust the Management Fee from time to time and such adjustment will be effective following notice in writing of the same by the Manager to the Trustee and subject to the issue by the Manager of a Rating Affirmation Notice in relation to the adjustment. The Management Fee for a Monthly Period is payable by the Trustee in arrears on the Distribution Date following the end of the Monthly Period.

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 if:

(a) the Manager does not instruct the Trustee to pay the required amounts to the Investors within the specified time periods and such failure is not remedied within 10 Business Days of notice from the Trustee;

(b) the Manager does not prepare and transmit to the Trustee any Monthly Certificate or any other reports it is required to prepare under the Series Supplement and such failure is not remedied within 10 Business Days of notice from the Trustee (except when such failure is due in certain circumstances to a Servicer Default);

(c) an Insolvency Event occurs with respect to the Manager;

(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 20 Business Days of notice from the Trustee.

The Trustee may agree to longer grace periods than those specified in paragraphs (a), (b), (d) and (e).

Whilst a Manager Default is subsisting, the Trustee may by notice to the Servicer, the Manager and the Rating Agency for all then series trusts immediately terminate the appointment of the Manager and appoint another entity to act in its place. Pending appointment of a new Manager, the Trustee will act as Manager and will be entitled to receive the Management Fee.

10.4.7 Voluntary Retirement of the Manager

The Manager may only voluntarily retire if it gives the Trustee 3 months' notice in writing (or such lesser time as the Trustee agrees). Upon such retirement the Manager may appoint in writing any other corporation approved by the Trustee. If the Manager does not propose a replacement at least 1 month prior to its proposed retirement, the Trustee may appoint a replacement.

Pending appointment of a new Manager, the Trustee will act as Manager and will be entitled to receive the Management Fee.

10.4.8 Replacement Manager

The appointment of a replacement Manager will not be effective until the Trustee has issued a Rating Affirmation Notice in relation to the appointment of the replacement Manager and the replacement Manager has executed a deed under which it assumes the obligations of the Manager under the Master Trust Deed and the other Transaction Documents.

10.4.9 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.

10.4.10 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 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 the Privacy Act and any duty of confidentiality owed by the Servicer to its clients under the common law or otherwise, give the Manager, the Auditor and the Trustee such information as they require with respect to all matters in the possession of the Servicer in respect of the activities of the Servicer to which the Series Supplement relates;

(b) not transfer, assign or otherwise grant an encumbrance over the whole or any part of its interest (if any) in any Mortgage Loan and its related securities;

(c) comply with its obligations under each Mortgage Insurance Policy;

(d) upon being directed to do so by the Trustee, following the occurrence of a Perfection of Title Event, promptly take all action as is required or permitted to assist the Trustee and the Manager to perfect the Trustee's legal title in the Mortgage Loans and related securities; and

(e) pay to the Trustee on each Transfer Date an amount equal to the Waived Mortgagor Break Costs for the Monthly Period just ended.

10.5.2 Delegation by the Servicer

The Servicer is entitled to 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 provided that it does not delegate a material part of its powers, duties and obligations. The Servicer at all times remains liable for the acts or omissions of any such person to the extent that the acts or omissions constitute a breach by the Servicer of its obligations under the Series Supplement.

10.5.3 The Servicer's Fees and Expenses

The Servicer is entitled to a fee for servicing the Mortgage Loans for each Monthly Period, calculated based upon the actual number of days in the Monthly Period divided by 365 and a percentage of the principal amount outstanding on the Mortgage Loans as at the end of the Monthly Period.

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.

The Manager and the Servicer may agree to adjust the fee payable to the Servicer from time to time provided the Manager gives notice to the Trustee and issues a Rating Affirmation Notice in relation to such adjustment.

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 Series Supplement and such failure is not remedied within 3 Business Days of notice from the Manager or the Trustee;

(b) the Servicer fails to provide the Manager with the information necessary to enable it to prepare a Monthly Certificate by the date specified in the Series Supplement and such failure is not remedied within 5 Business Days of notice from the Manager or Trustee;

(c) an Insolvency Event occurs with respect to the Servicer;

(d) the Servicer fails to comply with its obligations (as described in paragraph 6.9.1 to set the variable rates applicable to the Mortgage Loans in relation to the Series Trust, and such failure is not remedied within 2 Business Days of its occurrence (or such longer period as the Trustee may agree to);

(e) whilst the Seller is the Servicer and is acting as Custodian of the Mortgage Loan Documents it fails to deliver all the Mortgage Loan Documents or, where some or all of the Mortgage Documents are held in digital form, the electronic files containing digital copies of all such Mortgage Documents to the Trustee following the occurrence of a Document Transfer Event (see Section 11.2) and such failure is not remedied within 20 Business Days of notice from the Trustee specifying the Mortgage Loan Documents that remain outstanding (or electronic files containing digital copies of the outstanding Mortgage Documents); or

(f) the Servicer breaches 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), (b), (e) and (f).

While a Servicer Default is subsisting of which the Trustee is actually aware, the Trustee must by notice to the Servicer, the Manager and the Rating Agency immediately terminate the rights and obligations of the Servicer and appoint another appropriately qualified organisation to act in its place. Pending the appointment of a new Servicer, the Trustee will act as Servicer and is entitled to the Servicer's fee during the period that it so acts.

10.5.5 Voluntary Retirement of the Servicer

The Servicer may only voluntarily retire if it gives the Trustee, the Manager and the Rating Agency 3 months' notice in writing (or such lesser period as the Servicer, the Manager, the Trustee and each such Rating Agency agree). Upon retirement the Servicer may appoint in writing as its replacement any other corporation approved by Trustee (acting reasonably). If the Servicer does not propose a replacement by 1 month prior to its proposed retirement, the Trustee may appoint a replacement. Pending the appointment of a new Servicer, the Trustee will act as Servicer and will be entitled to the above fee.

10.5.6 Replacement Servicer

The appointment of a replacement Servicer will not be effective until the Manager has issued a Rating Affirmation Notice in relation to the appointment of the replacement Servicer and the replacement Servicer has executed a deed under which it assumes the obligations of the Servicer under the Master Sale and Servicing Deed and the other Transaction Documents to which the Servicer is a party.

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, by written notice to the Trustee, 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 Master Security Trust 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 180 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 180 day period, the Trustee may sell them after the expiry of that period for a price less than their Fair Market Value.

The Trustee may, in order to sell the Mortgage Loans for a price at least equal to their Fair Market Value, perfect legal title to the Mortgage Loan Rights, terminate the rights and obligations of the Servicer and sell the Mortgage Loans to a prospective purchaser free of the Seller Trust if necessary (in the reasonable opinion of the Trustee).

However, in any 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, will enter into priority agreements such that the purchaser's security has first priority over the Seller's security only for the principal amount outstanding plus interest, fees and expenses on the relevant Mortgage Loan and will use reasonable endeavours to obtain the consent of the providers of the securities subsequent to the securities assigned to the purchaser to grant subsequent mortgages and security interests to the Seller.

10.6.3 Offer to Seller

On the Termination Date, the Trustee may 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 the Mortgage Loans and related securities unless the aggregate principal amount outstanding on the Mortgage Loans is on the last day of the preceding Monthly Period, when expressed as a percentage of the aggregate principal amount outstanding on the Mortgage Loans at the Issue Date, below the Clean-Up Percentage. However, if the Fair Market Value of the Mortgage Loans is insufficient to ensure that the Noteholders will receive the aggregate of the Invested Amounts of the Notes and Interest payable on the Notes, the offer will be conditional upon an extraordinary resolution of Noteholders approving the offer.

10.6.4 Distributions

Subject to the following two paragraphs, 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 the General Security Deed (and to the extent there are any funds available after such application, 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.

On the Termination Payment Date, the balance of the Extraordinary Expense Reserve will be applied as Total Investor Revenues in accordance with Section 7.4.4.

On the Termination Payment Date, the balance of the Excess Revenue Reserve will be applied in the following order or priority:

(a) first, an amount equal to the Excess Revenue Reserve Draw will be applied as Total Investor Revenues in accordance in accordance with Section 7.4.4; and

(b) second, any remaining amount will be paid directly to the Income Unitholder.

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 Manager.

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 each trust and any other statutory returns.

10.8 Amendments to Master Trust Deed and Series Supplement

Subject to prior notice being given to the Rating Agency in respect of the series trusts under the Master Trust Deed and the Manager issuing a Rating Affirmation Notice in relation to the proposed amendment, the Trustee and the Manager may amend, add to or revoke any provision of the Master Trustee Deed or the Series Supplement if the amendment, addition or revocation:

(a) is necessary or expedient to comply with any regulatory requirements;

(b) is to correct a manifest error or is of a formal, technical or administrative nature only;

(c) is required by, 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, relates only to a trust not yet constituted under its terms;

(e) will enable the provisions of the Master Trust Deed or the Series Supplement to be more conveniently, advantageously, profitably or economically administered; or

(f) in the opinion of the Trustee is otherwise desirable for any reason.

However, where an amendment referred to in paragraphs (e) and (f) above may be prejudicial to the interests of any class of Investors the amendment will only be made if an extraordinary resolution approving the amendment is passed by the relevant class of Investors (being a resolution requiring not less than 75% of all votes cast or a written resolution signed by the Relevant Investors).

The Trustee may not amend, add to or revoke any provision of the Master Trust Deed or the Series Supplement if the consent of a party is required under a Transaction Document unless that consent has been obtained.

10.9 Meetings of Noteholders

10.9.1 Who Can Convene Meetings

The Manager or the Trustee may convene a meeting of the Investors, the Noteholders or a Class of the Noteholders, the Voting Secured Creditors, the Unitholders or a Class of the Unitholders (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 95% of the holders of the relevant then outstanding Notes or Units (as the case may be) agree on a shorter period of time. 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 2 or more persons present in person being Relevant Investors or representatives holding in the aggregate not less than 67% of the Notes or Units corresponding to the meeting of Relevant Investors and then outstanding.

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 Notes or Units corresponding to the meeting of the Relevant Investors and then outstanding 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 or one or more persons being Relevant Investors holding not less than 2% of the Notes or Units corresponding to the meeting of the Relevant Investors and then outstanding, by a poll. The chairman has a casting vote both on a show of hands and on a poll.

On a poll every person being a Relevant Investor holding then outstanding Notes or Units will have 1 vote on a show of hands and 1 vote for each A$100 of the then outstanding principal amount of the Note (which if expressed in a currency other than Australian Dollars, will be converted to Australian Dollars from that currency at the prevailing exchange rate on the preceding Business Day) or the capital amount of the Unit held by them. Any person entitled to more than one vote need not use all his or her votes or cast all his or her votes to which he or she is entitled in the same way.

10.9.5 Powers of Meeting of Noteholders

The powers of a meeting of Noteholders are specified in the Master Trust Deed and can only be exercised by an extraordinary resolution. A meeting of Noteholders does not have the power to:

(a) remove the Trustee, the Servicer or the Manager other than in accordance with the terms of the Master Trust Deed, the Master Sale and Servicing Deed and the Series Supplement;

(b) interfere with the management of the Series Trust;

(c) wind-up or terminate the Series Trust;

(d) dispose of or deal with Mortgage Loans and related securities or eligible investments of the Series Trust; or

(e) amend the Master Trust Deed or the Series Supplement other than in accordance with the procedures described in Section 10.8.

10.9.6 Binding Resolutions

An extraordinary resolution of all Relevant Investors which by its terms affects a particular Relevant Investor or class of Relevant Investors only or in a manner different to the rights of the Relevant Investors generally, is only binding on the Relevant Investor or class of Relevant Investors (as the case may be) if it or they agree to be bound by such extraordinary resolution.

10.9.7 Written Resolutions

A resolution of Relevant Investors or a class of Relevant Investors may be passed without any meeting or previous notice being required by an instrument in writing signed by all Relevant Investors or a class of Relevant Investors (as the case may be).

10.9.8 Voting Secured Creditors

In certain circumstances an extraordinary resolution of Voting Secured Creditors, rather than all Secured Creditors will be sufficient to approve a proposed course of action. The relevant courses of action when an extraordinary resolution of Voting Secured Creditors is sufficient are:

(a) in certain circumstances to compel the Trustee to institute legal proceedings; or

(b) approval of the appointment of a new Trustee.

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11. Document Custody

11.1 Document Custody

The Seller will hold the Mortgage Loan Documents in material form or will hold a separate electronic file containing digital copies of 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 Issue Date in respect of each Mortgage Loan until a Document Transfer Event occurs. As custodian, the Seller may, but will not be obliged, to maintain any hard copy original Mortgage Documents and may destroy any such hard copy originals provided that it must first take, and must retain, a digital copy of any such hard copy originals. The Seller will ensure at all times that all digital copies of the original Mortgage Documents are true and complete copies of such original Mortgage Documents.

The Seller must hold the Mortgage Loan 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 Document Transfer Event occurs. The Seller was previously required to deliver to each Existing Disposing Trust an electronic listing containing details of the Mortgage Loan Documents in, or transferred to, its custody and a letter containing the Seller's identification methodology for the Mortgage Loan Documents. The Seller must also update the information on the electronic listing on a regular basis as described in Section 6.10. The Seller's role as Custodian will be periodically reviewed by the Auditor who will deliver an audit report to the Trustee (with a copy to the Manager and the Seller) on a 6 monthly basis (or as otherwise agreed between the Manager and the Trustee and in respect of which the Manager has issued a Rating Affirmation Notice).

The Seller may retire as Custodian of the Mortgage Loan Documents upon giving to the Trustee and the Rating Agency 3 months' notice in writing or such lesser time as the Manager and the Trustee agree. The obligations that apply following the occurrence of a Document Transfer Event will also apply where the Seller retires as Custodian.

11.2 Document Transfer Event

If:

(a) a Perfection of Title Event (other than a Servicer Default as described in Section 10.5.4(e)) is declared by the Trustee in accordance with the Master Sale and Servicing Deed and the Trustee notifies the Seller of that fact; or

(b) the Trustee considers in good faith that a Servicer Default as described in Section 10.5.4(f) has occurred and the Trustee has notified the Seller the reasons why the Trustee, in good faith, considers that the conditions in Section 10.5.4(e) have been satisfied and why, in the Trustee's reasonable opinion, an Adverse Effect has or may occur as a result,

the Seller must, immediately following notice from the Trustee, and subject to limited exceptions contained in the Master Sale and Servicing Deed for certain Mortgage Loan Documents, transfer custody of the Mortgage Loan Documents to the Trustee.

11.3 Custodian Fee

The Custodian is entitled to a fee for the provision of custodial services by it (including where the Seller is the Custodian), to the Trustee. The fee for a Monthly Period is payable by the Trustee in arrears on the Distribution Date following the end of the Monthly Period.

12. Taxation Considerations

12.1 Income Tax Treatment of the Noteholders

Persons holding an interest in the Notes (in this Section 12, 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

Interest Withholding Tax

Under current Australian tax laws, interest or an amount in the nature of interest which is:

- paid by the Trustee to a non-resident of Australia and not derived in carrying on business at or through an Australian permanent establishment, or to an Australian resident who derived the interest in carrying on business at or through a permanent establishment outside Australia; and
- not an outgoing wholly incurred by the Trustee in carrying on business in a country outside Australia at or through a permanent establishment in that country,

will be subject to interest withholding tax at a rate (currently) of 10% of the amount of such payment, unless an exemption applies.

Various exemptions may be available from interest withholding tax, including the "public offer" exemption, the tax treaty exemption and the exemption for superannuation funds (each discussed below).

Public Offer Exemption

Pursuant to section 128F of the Tax Act, an exemption from interest withholding tax applies to an offer of notes if all of the following conditions are met:

- the Trustee is a company as defined in section 128F(9) of the Tax Act (which includes companies acting as trustees of certain trusts, provided that all the beneficiaries of the trust are companies other than companies acting in the capacity of trustee);
- the Trustee is a resident of Australia or is a non-resident carrying on business at or through an Australian permanent establishment when it issues the notes;
- the Trustee is a resident of Australia or is a non-resident carrying on business at or through an Australian permanent establishment when the interest is paid; and
- the issue of the notes satisfies the public offer test set out in section 128F(3) or 128F(4) of the Tax Act.

The Sole Lead Manager has agreed with the Trustee to offer the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes (being, the **IWT Notes**) for subscription or purchase in accordance with certain procedures intended to result in the public offer test being satisfied.

Under current Australian tax 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 an IWT Note, or an interest in an IWT Note, was being, or would later be, acquired either directly or indirectly by an Offshore Associate of the Trustee, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the IWT Notes, or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme.

The exemption under section 128F also does not apply to interest paid by the Trustee to an Offshore Associate of the Trustee 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.

Accordingly, the IWT Notes should not be acquired by any Offshore Associate of the Trustee, subject to the exceptions referred to above.

The Class A1 Notes, the Class E Notes and the Class F Notes will **not** be offered in a way that will satisfy the "public offer test" set out in section 128F of the Tax Act or otherwise seek to meet the requirements of section 128F of the Tax Act. Accordingly, the exemption from Australian interest withholding tax under section 128F of the Tax Act will not be available in respect of interest paid on the Class A1 Notes, the Class E Notes or the Class F Notes.

An exemption or reduction from Australian interest withholding tax may nonetheless be available in certain circumstances under an applicable double tax convention or for certain superannuation funds (see below).

Tax Treaty Exemption

The Australian Government has signed a number of double tax conventions (**Treaties**) with certain countries including the United States of America, the United Kingdom, Switzerland, Norway, Germany, Finland, France, Japan, South Africa and New Zealand (**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 (however, back-to-back loans and economically equivalent arrangements will not obtain the benefit of the reduction in interest withholding tax),

by reducing the interest withholding tax rate to zero.

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. In addition, the availability of relief under Australia's double tax treaties may be limited by Australia's adoption of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting in circumstances where a Noteholder has an insufficient connection with the relevant jurisdiction. Therefore, each Noteholder will need to consider the specific terms of any applicable double tax treaty.

Exemption for superannuation funds

Interest paid to a non-resident superannuation fund may be exempt from interest withholding tax where that fund is a superannuation fund for foreign residents only and the interest arising from the Notes is exempt from income tax in the country in which the fund is resident.

Pay-As-You-Go Withholding – TFN or ABN not quoted

An amount may also be withheld under section 12-140 of Schedule 1 to the Taxation Administration Act in respect of any interest payments on the Notes where the payee did not quote its Tax File Number or Australian Business Number (if applicable), unless an exception applies. The amount required to be withheld is currently 47% of the amount of the payment.

12.3 Garnishee Notices

The Commissioner of Taxation may issue a notice requiring any person who owes, or who may later owe, money to a taxpayer who has a tax-related liability, to pay to him the money owed to the taxpayer. If the Trustee is served with such a notice in respect of a Noteholder, then the Trustee would be required to comply with that notice.

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.

A non-resident Noteholder who has never held an interest in the Notes in the course of carrying on a business at or through an Australian permanent establishment will not be subject to Australian income tax or capital gains tax on gains realised on the sale or disposal of such Notes provided such gains do not have an Australian source. The source of any profit on the disposal of the Notes will depend on the factual circumstances of the actual disposal. Generally, where the Notes are acquired and disposed of pursuant to contractual arrangements entered into and concluded outside Australia, and the seller and the purchaser are non-residents of Australia and do not transact at or through an Australian permanent establishment, the profits should not have an Australian source.

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 Australia 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 Income Tax Treatment of the Series Trust

As the Series Trust is wholly owned by PNL, it will be a member of the PNL tax consolidated group, and will be taken to be a part of the head company of that group for most Australian income tax purposes. The primary responsibility for income tax liabilities rests with the head company of a tax consolidated group. As a result, the Series Trust will not be subject to any income tax liability in respect of the income of the Series Trust in the first instance.

All members of the PNL tax consolidated group, including the Series Trust, can become jointly and severally liable for the tax liabilities of that group where the head company of that group defaults on those tax liabilities. However, where the members of that group have entered into a valid and effective tax sharing agreement covering each of the group’s tax liabilities, the liability of each member, including the Series Trust, will be limited to a reasonable allocation of the group's tax liabilities. The Trustee will accede to the PNL tax consolidated group tax sharing agreement pursuant to an accession deed.

The PNL tax consolidated group's tax sharing agreement is consistent with the current guidance published by the Australian Commissioner of Taxation in relation to tax sharing agreements. It should be noted however that it is possible that the Commissioner of Taxation could change his current views, and any ultimate determination rests with the Courts. In addition, certain prescribed circumstances can operate to invalidate a tax sharing agreement. Subject to those qualifications, the PNL tax consolidated group's tax sharing agreement should be valid and effective.

The former Australian government announced proposed changes to update the law regarding taxation of trusts. Depending on the final form of any legislation, the law could be amended in a way that would cause the Series Trust to become subject to a liability in respect of taxes in certain circumstances (including under the PNL tax consolidated group’s tax sharing agreement), however, there has been no express statement that such an outcome is intended. In addition, the proposed changes have not progressed beyond consultation, and could potentially be withdrawn.

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 law 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.

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; or

(c) the repayment of any principal on the Notes,

would generally be input taxed (although certain supplies to non-residents outside of Australia could still be GST-free).

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, 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.

Most 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. Under the Series Supplement, the Trustee (in its personal capacity), the Manager and the Servicer are all expressly precluded from claiming a reimbursement or additional payment from the Assets of the Series Trust in addition to their respective fees for any GST liability they may have in relation to taxable supplies they make under or in connection with the Series Trust.

The fee payable to the Trustee (in its personal capacity) may only be adjusted on account of GST where:

(a) GST is abolished;

(b) the rate of GST changes; and

(c) there is an amendment to the GST legislation.

Generally speaking, in the event of any of the above, the fees payable to the Trustee will be adjusted so that the Trustee is neither economically advantaged nor disadvantaged in relation to supplies it makes under the Series Supplement.

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 currently either 55% or 75% of the GST which is payable by the service provider on the taxable supplies made to the Trustee. The availability of reduced input tax credits will reduce the extent to which the expenses of the Series Trust will increase because of GST.

Second, 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".

Third, 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 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. However, in GSTR 2004/4, we note that the Commissioner appears to take a restrictive view on the availability of reduced input tax credits for the acquisition of supplies made by a servicer.

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 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.

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13. Transaction Documents Available for Inspection

The following documents will be available for inspection by Noteholders and bona fide prospective Noteholders during business hours at the office of the Trustee as listed in the Directory. 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 11 December 2003 between P&N Management Pty Limited and BNY Trust Company of Australia Limited, as amended.
Master Sale and Servicing Deed	A Master Sale and Servicing Deed dated 11 December 2003 between P&N Management Pty Limited, BNY Trust Company of Australia Limited and Police & Nurses Limited, as amended.
Master Security Trust Deed	A Master Security Trust Deed dated 11 December 2003 between GT Australia Nominees Limited, BNY Trust Company of Australia Limited and P&N Management Pty Limited, as amended.
Series Supplement	A Series Supplement dated 29 September 2021 between P&N Management Pty Limited, BNY Trust Company of Australia Limited and Police & Nurses Limited.
General Security Deed	A General Security Deed dated 29 September 2021 between GT Australia Nominees Limited, BNY Trust Company of Australia Limited and P&N Management Pty Limited.
Redraw Facility Agreement	A Redraw Facility Agreement dated 18 October 2021 between Police & Nurses Limited, BNY Trust Company of Australia Limited and P&N Management Pty Limited.
Hedge Agreement	A Hedge Agreement dated 18 October 2021 between BNY Trust Company of Australia Limited, P&N Management Pty Limited and Australia and New Zealand Banking Group Limited.

14. Glossary of Terms

Accrued Interest Adjustment	This is described in Section 7.4.3.
Acquiring Trust	This is described in Section 10.1.3.
ADI	Has the meaning as defined in section 5 of the Banking Act 1959 (Cth).
Adjusted Principal Collections	This is described in Section 7.5.1.
Adjustment Advance	This is described in Sections 7.4.4 and 10.1.3.
Adverse Effect	An event which materially and adversely affects the amount of any payment to be made to any Investor in respect of the Notes rated by S&P (to the extent that it affects any Investor other than the Seller or any related body corporate of the Seller) or materially and adversely affects the timing of such payment.
Anniversary Date	In relation to a Mortgage Loan means the date on which interest is debited to the Mortgage Loan account by the Servicer pursuant to the relevant loan agreement.
ANZ	Australia and New Zealand Banking Group Limited ABN 11 005 357 52.
Approved Mortgage Insurer	Genworth Financial Mortgage Insurance Pty Limited, QBE Lenders' Mortgage Insurance Limited or such other mortgage insurer in respect of the Series Trust from time to time notified by the Manager to the Trustee and in respect of which the Manager has issued a Ratings Affirmation Notice.
APRA	Australian Prudential Regulation Authority.
Arrears Days	Arrears Days in relation to a Mortgage Loan means the number calculated as follows:

$$AD = E \times 30$$

where:

AD = the number of Arrears Days in relation to that Mortgage Loan;

E = $\frac{A - B}{C}$ (rounded down to the nearest whole number);

A = the principal amount outstanding on that Mortgage Loan (as recorded on the Mortgage Loan System) as at the commencement of business on the Cut-Off Date for that Mortgage Loan or the end of a Monthly Period (as the context requires);

B = the lesser of the Scheduled Balance in respect of that Mortgage Loan and the principal amount outstanding on that Mortgage Loan (each as recorded on the Mortgage Loan System) as at the commencement of business on the Cut-Off Date for that

Mortgage Loan or the end of a Monthly Period (as the context requires); and

C = the principal and interest due for payment on the most recent Anniversary Date in respect of that Mortgage Loan.

Assets of the Series Trust

All assets of the Series Trust from time to time including:

(a) cash on hand or at a bank to the credit of the Trustee;

(b) investments referable to the Series Trust;

(c) amounts owing to the Trustee by debtors in respect of the Series Trust (excluding any bad or doubtful debts);

(d) income accrued from Mortgage Loans and from investments referable to the Series Trust to the extent not included above;

(e) any prepayment of expenditure in respect of the Series Trust;

(f) any Mortgage Loans, related securities and other rights assigned to the Trustee in its capacity as Trustee of the Series Trust (see Section 10.2.1) on, and subject to, the terms of the Master Trust Deed and the Series Supplement;

(g) the benefit of all representations, warranties and undertakings made by any party in favour of the Trustee under the Transaction Documents; and

(h) other property as agreed in writing between the Manager and the Trustee.

Assigned Assets

In relation to a Transfer Proposal and a Disposing Trust, the Trustee's entire right, title and interest (including the beneficial interest of each Unitholder in relation to the Disposing Trust) as trustee of the Disposing Trust in:

(a) the assets of the Disposing Trust 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 representations and warranties given to the Trustee by the Seller the Servicer or any other person in relation to those assets.

Assignment Date

This is described in Section 2.5 under the heading "Transfer of Mortgage Loans to another Trust".

Authorised Short-Term Investments

In relation to the Series Trust means:

(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, a bank;

(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 a bank and provide a right of recourse against that bank 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 be not be a securitisation exposure or a resecuritisation exposure (each as defined in Prudential Standard APS 120 dated July 2019 and issued by the Australian Prudential Regulation Authority or any replacement or amended version of that standard).

Auditor	This is described in Section 10.7.
BBSW	In respect of an Interest Period or an interest period under the Redraw Facility, means: (a) the rate for prime bank eligible securities having a tenor of that specified term, which is designated as the "AVG MID" as displayed on the Bloomberg Monitor System (or any successor page or service) at or about 10.30 a.m., Sydney time, on the first day of that Interest Period (or such other time at which such rate customarily appears on that page) (**Publication Time**); or (b) if such rate does not appear on the Bloomberg Monitor System (or any successor page or service) by 11.00 a.m., Sydney time, on that date (or such other time that is 30 minutes after the then prevailing Publication Time) (other than as a result of a Disruption Event), or if it is published but the Manager determines that there is an obvious error in that rate, then the **BBSW** for that specified time will be the rate determined by the Manager in good faith at or around that time on that date, having regard, to the extent possible, to comparable indices then available.
Binding Provision	Any provision of the Mutual Banking Code of Practice, as amended from time to time, and any other code or arrangement binding on the Seller or the Servicer and any laws applicable to lenders in the business of making residential or commercial loans, as the case may be, but only to the extent to which it is applicable.
Business Day	A day on which banks are open for business in Sydney, Melbourne and Perth but does not include a Saturday, Sunday or a public holiday.
Call Option	The right of the Trustee to redeem all the Notes as described in Section 4.3.4.
Capital Units	These are described in Section 10.1.1.
Charge-Offs	These are described in Section 7.6.

Class A Notes	Means the Class A1 Notes and the Class A2 Notes.
Class A1 Note	These are described in Sections 2, 3 and 4.
Class A1 Noteholder	The registered holder of a Class A1 Note, including persons jointly registered.
Class A2 Note	These are described in Sections 2, 3 and 4.
Class A2 Noteholder	The registered holder of a Class A2 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.
Class F Note	These are described in Sections 2, 3 and 4.
Class F Noteholder	The registered holder of a Class F Note, including persons jointly registered.
Clean-Up Date	The last day of the Monthly Period on which the aggregate principal amount outstanding on the Mortgage Loans which are then Assets of the Series Trust, expressed as a percentage of the aggregate principal amount outstanding on the Mortgage Loans which were Assets of the Series Trust at the Issue Date, is first below the Clean-Up Percentage.
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 10.2.10.
Clean-Up Percentage	10%.
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 Monthly Period ending before the date on which the Clean-Up Settlement Price is to be paid.
Collections	This is described in Section 7.3.1.
Collections Account	This is described in Section 2.6.
Commitment Date	This is described in Section 2.2.

Competent Authority	A court, tribunal, authority, ombudsman or other entity whose decisions, findings, orders, judgment or determinations (howsoever reached) are binding on the Seller, the Servicer or the Trustee.
Consumer Credit Code	Means, as applicable, the Consumer Credit Code set out in the Appendix to the Consumer Credit (Queensland) Act 1994 (Qld) as in force or applied as a law of any Australian jurisdiction and the National Credit Code as attached in Schedule 1 of the National Consumer Protection Act 2009 (Cth).
Conversion	This is described in Section 10.2.8.
Credit Enhancement	This means any security, support, rights or benefits made available or proposed to be made available (as the case may be) to the Trustee in support of or in substitution for any Assets of the Series Trust or income or benefits arising in respect of such Assets.
Credit Legislation	Means as applicable, 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) and any associated legislation or regulations of any Australian jurisdiction as amended from time to time.
Current Balance	The principal amount outstanding on a Mortgage Loan at a particular time.
Custodian	The Seller or any other person appointed as Custodian of the Mortgage Loan Documents pursuant to the Master Sale and Servicing Deed.
Custodian Fee	This is described in Section 11.3.
Cut-Off Date	31 August 2021.
Defaulted Amount	In relation to a Monthly Period means the aggregate principal amount of any Mortgage Loans which have been written off by the Servicer as uncollectible during that Monthly Period in accordance with the Servicing Standards.
Determination Date	The date which is 3 Business Days before each Distribution Date.
Disposing Trust	This is described in Section 10.1.3.
Distribution Date	The 20th day of each calendar month (or if such day is not a Business Day, the next Business Day). The first Distribution Date will be 22 November 2021.
Disruption Event	BBSW: (a) is discontinued or otherwise ceases to be calculated, administered or published; or (b) in the opinion of the Manager, ceases to be in customary market usage in the relevant market as a reference rate appropriate to debt securities with an interest period comparable to that of the Notes.

Document Transfer Event	This is described in Section 11.2.
Eligibility Criteria	These are described in Section 6.4.
Eligible Depository	A financial institution which has assigned to it a short-term credit rating equal to or higher than A-1 by S&P.
Event of Default	This is described in Section 9.3.2.
Excess Investor Revenues	This is described in Section 2.6.
Excess Revenue Reserve	This is described in Section 7.5.6.
Excess Revenue Reserve Distribution Date	A Distribution Date which: (a) falls before the Clean-Up Date and in respect of which the Excess Revenue Reserve Trapping Conditions were satisfied on the Determination Date immediately preceding that Distribution Date; (b) falls on or after the Clean-Up Date (other than the Maturity Date); and (c) falls on the Maturity Date.
Excess Revenue Reserve Draw	This is described in Section 7.5.6.
Excess Revenue Reserve Trapping Conditions	Will be satisfied on a Determination Date on which any of the following is subsisting: (a) the average of the aggregate principal amount outstanding of Mortgage Loans which formed part of the Assets of the Series Trust over the previous 4 calendar months with Arrears Days of greater than 60 days is greater than or equal to 4% of the average of the aggregate principal amount outstanding of all Mortgage Loans which formed part of the Series Trust over the previous 4 calendar months; (b) a Servicer Default; (c) the Stated Amount of the Class F Notes is less than the Invested Amount of the Class F Notes on that Determination Date; or (d) the Clean-Up Date has or will occur on the immediately following Distribution Date and the Manager has determined that the Notes will not be redeemed on that Distribution Date.
Existing Disposing Trusts	Means each of: (a) the Pinnacle RMBS Warehouse Trust No. 1; and

(b) the Pinnacle Series Trust 2014-SST,

which, in each case, is a special purpose trust established under the Master Trust Deed and which, prior to the Issue Date, is the equitable owner of Existing Disposing Trust Mortgage Loans.

Existing Disposing Trust Mortgage Loans	These are described in Section 2.5.
Extraordinary Expense Reserve	This is described in Section 7.5.8.
Extraordinary Expense Reserve Draw	This is described in Section 7.5.8.
Extraordinary Expense Reserve Target Balance	This is described in Section 7.5.8.
Extraordinary Expenses	These are described in Section 7.5.8.
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 amount outstanding plus accrued interest for a Mortgage Loan, the Trustee is entitled to assume that this price is the Fair Market Value.
Finance Charges	These are described in Section 7.3.2.
Fixed Rate Swap Default Event	Means, in respect of a Hedge Provider: (a) an Event of Default (as defined in the relevant Hedge Agreement) where the Hedge Provider is the Defaulting Party (as defined in the relevant Hedge Agreement); or (b) a Termination Event where the relevant Hedge Provider is the sole Affected Party other than a Termination Event following an Illegality or a Tax Event (as those terms are defined in the relevant Hedge Agreement).
Forecast Off-Set Amount	Means, in respect of a Monthly Period and the Mortgage Loans, the Off-Set Amount which PNL forecasts (with confirmation in writing to the Manager of that forecast) will be applicable for the relevant Monthly Period and Mortgage Loans.
Further Advance	This is described in Section 10.2.8.

General Security Deed	The General Security Deed is described in Section 13.
Gross Liquidity Shortfall	This is described in Section 7.4.2.
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 Provider	Each party specified as a Hedge Provider in the Hedge Agreement.
Income Unit	This is described in Section 10.1.1.
Income Unitholder	The holder of the Income Unit.
Increased Costs Amount	Any increased cost to or loss suffered by the Redraw Facility Provider in relation to its performance of its obligations under the Redraw Facility Agreement arising as a result of a change in law or in its interpretation or administration or because of compliance with any request from or requirement of any fiscal, monetary or other authority.
Initial Invested Amount	In relation to: (a) a Note means $1,000; 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.
Insolvency Event	In relation to a body corporate, the happening of any of the following events: (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 the Trustee) 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.

Interest	In respect of a Class of Notes, is the amount of interest calculated in respect of that Class of Notes in accordance with Section 4.2.4.
Interest Off-Set Account	This is described in Section 6.5.2.
Interest Period	This is described in Section 4.2.2.
Interest Rate	This is described in Section 4.2.3.
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.
Issue Date	This is described in Section 2.2.
IWT Notes	The Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes.
Line of Credit Loan	Any Mortgage Loan which is repayable by the mortgagor on demand within no more than 30 days' notice being given to it by the Seller.
Linked Account	Any Interest Off-Set Account or any other deposit account (other than a Line of Credit Loan) with the Seller, the establishment of which was a condition precedent to the provision by the Seller of a Mortgage Loan.
Liquidity Draw	This is described in Section 7.4.2.
Liquidity Reserve	This is described in Section 7.5.7.
LVR	In relation to a Mortgage Loan, the loan-to-value ratio of that Mortgage Loan.

Management Fee This is described in Section 10.4.5.

Manager The initial Manager of the Series Trust is P&N Management Pty Limited ABN 24 009 198 681. If P&N Management Pty Limited is removed or retires 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 The Master Sale and Servicing Deed is described in Section 13.

Master Security Trust Deed The Master Security Trust Deed is described in Section 13.

Master Trust Deed The Master Trust Deed is described in Section 13.

Maturity Date This is described in Sections 2.2 and 4.3.1.

Minimum S&P Collateralised Counterparty Rating Means the minimum current rating of a counterparty that will not, provided that collateral is being provided in accordance with the credit support annex, cause a downgrade, withdrawal or qualification of the current rating of the Notes:

(a) being the lowest rating specified in the column headed “Replacement Trigger” in the table in Annexure 4 of the Hedge Agreement that corresponds to the then current rating of the Notes specified in the applicable column in that table in Annexure 4 for the Selected Collateral Framework Option applicable at that time; or

(b) if the Hedge Provider and the Manager agree, as otherwise determined in accordance with paragraph (b) of the definition of S&P Criteria.

Minimum S&P Uncollateralised Counterparty Rating Means the minimum current rating of a counterparty that will not, without any collateral having to be currently provided in accordance with the credit support annex, cause a downgrade, withdrawal or qualification of the current rating of the Notes:

(a) as determined in accordance with the table in Annexure 3 of the Hedge Agreement by reference to the Selected Collateral Framework Option applicable at that time; or

(b) if the Hedge Provider and the Manager agree, as otherwise determined in accordance with paragraph (b) of the definition of S&P Criteria.

Monthly Certificate The statement prepared on each Determination Date by the Manager, in such form as is agreed from time to time between the Manager and the Trustee, which must include the Pool Performance Data.

Monthly Period	The first Monthly Period commences on (and includes) the Cut-Off Date and ends on (and includes) the last day of the second calendar month following the calendar month in which the Cut-Off Date occurs. Each subsequent Monthly Period commences on (and includes) the first day after the last day of the previous Monthly Period and ends on (and includes) the last day of the calendar month after the calendar month in which the previous Monthly Period ended. The final Monthly Period is the Monthly Period ending on (but excluding) the Termination Payment Date.
Mortgage Insurance Policies	These are described in Sections 5.24 and 8.
Mortgage Loan 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 represented by the Seller Mortgage Loans and the Existing Disposing Trust Mortgage Loans to be assigned to the Trustee. This is described in Section 6.3 and Annexure 1.
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.
Mortgagor Break Benefits	Any benefits payable to a mortgagor under the terms of a Mortgage Loan or as required by law upon the early termination of a given fixed interest rate relating to all or part of that Mortgage Loan prior to the scheduled termination of that fixed interest rate.
Mortgagor Break Costs	Any costs payable by a mortgagor 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 Mortgagor Break Costs to the extent that such proceeds exceed the cost of enforcement and the interest and principal amount outstanding on the Mortgage Loan.
Net Collections	This is described in Section 7.5.1.
Net Liquidity Shortfall	This is described in Section 7.4.2.
Non-PPSA Secured Property	All Secured Property other than any PPSA Secured Property.
Note	These are described in Sections 2, 3 and 4.
Note Certificate	This is described in Section 4.7.

Note Factor On any day means the aggregate Stated Amount of all Notes then outstanding expressed as a percentage of the aggregate Initial Invested Amount of all Notes.

Note Subordination Percentage Means, on any date, the proportion of the aggregate Stated Amount of the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as at that date to the aggregate Invested Amount of the Notes as at that date, expressed as a percentage.

Note Transfer A transfer and acceptance form for the transfer of a Note in an approved form.

Off-Set Amount In relation to a Monthly Period, means an amount at least equal to the amount which would otherwise have been received by the Trustee as a collection on a Mortgage Loan to the extent that the obligation to pay such amount was discharged or reduced pursuant to the terms of an Interest Off-Set Account.

Offshore Associate Means an associate (as defined in section 128F(9) of the Tax Act) of an entity that is either:

(a) a non resident of Australia (as defined in subsection 6(1) of the Tax Act) that does not acquire an IWT Note or an interest in an IWT Note 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 subsection 6(1) of the Tax Act) that acquires an IWT Note or an interest in an IWT Note in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

Operations Manual The written guidelines, policies and procedures established by the Seller and the Servicer for, respectively, originating and servicing 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.

Outstanding Prepayment Amount The amount standing to the credit of the Collections Account which represents prepayments of Collections by the Servicer.

Penalty Payments Any:

(a) civil or criminal penalty incurred by the Trustee under the Credit Legislation, section 11B of the Land Title Act 1994 (QLD), section 56C or 117 of the Real Property Act 1900 (NSW) or the WA Verification Practice;

(b) money ordered to be paid by the Trustee in relation to any claim against the Trustee under the Credit Legislation, section 11B of the Land Title Act 1994 (QLD), section 56C or 117 of the Real Property Act 1900 (NSW) or the WA Verification Practice; or

(c) payment by the Trustee, with the consent of the Servicer, in settlement of a liability or alleged liability under the Credit Legislation, section 11B of the Land Title Act 1994 (QLD), section 56C or 117 of the Real Property Act 1900 (NSW) or the WA Verification Practice,

and includes any legal costs and expenses incurred by the Trustee or which the Trustee is ordered to pay (in each case charged at the usual commercial rates of the relevant legal services provider) in connection with (a) to (c) above.

Perfection of Title Event	This is described in Section 10.2.13.
PNL	Police & Nurses Limited ABN 69 087 651 876.
Pool Performance Data	Means performance data in respect of the Notes on a Determination Date consisting of prepayment rates, arrears data and default data in respect of Mortgage Loans then forming part of the Assets of the Series Trust, the Note Factor at the last Determination Date and the Note Factor on the present Determination Date, the principal amount outstanding on the Notes, the Interest Rates in respect of the Notes and such other information as the Manager may consider necessary from time to time.
Post-Settlement Adjustment	This is described in Section 10.1.3.
PPSA	Personal Property Securities Act 2009 (Cth).
PPSA Secured Property	All the Secured Property which is “personal property” for the purposes of the PPSA.
PPS Register	This is described in Section 5.25.
Prescribed Period	For any: (a) Seller Mortgage Loan, the period of 120 days (including the last day of that period) commencing on the Cut-Off Date; and (b) Existing Disposing Trust Mortgage Loan, the period of 120 days (including the last day of the period) from the date that the Existing Disposing Trust Mortgage Loan was first assigned to the relevant Existing Disposing Trust.
Principal Collections	This is described in Section 7.5.1.
Principal Draw	This is described in Section 7.4.2.
Prior Interest	Any lien over, and right of indemnification from, the Secured Property held by the Trustee under, and calculated in accordance with, the Master Trust Deed or the Series Supplement for Trustee Indemnity Costs (other than the Secured Moneys) which are unpaid, or paid by the Trustee but not reimbursed to the Trustee from the Assets of the Series Trust.
Privacy Act	The Privacy Act 1988 (Cth).
QBE	QBE Lenders' Mortgage Insurance Limited ABN 70 000 511 071.

Rating Affirmation Notice	In relation to an event or circumstances means a notice in writing from the Manager to the Trustee (and copied to the Rating Agency) confirming that it has notified the Rating Agency of the particular event or circumstance and that the Manager is satisfied, following discussions with the Rating Agency, that the event or circumstances, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Rating Agency to the Notes.
Rating Agency	S&P.
Record Date	This is described in 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 lead to the Scheduled Balance of that Mortgage Loan being exceeded by more than 1 scheduled monthly instalment.
Redraw Facility	This is described in Section 9.1.
Redraw Facility Agreement	This is described in Section 13.
Redraw Facility Limit	This is described in Section 9.2.3.
Redraw Facility Provider	PNL, or any other provider of the Redraw Facility from time to time.
Redraw Principal	In relation to a Monthly Period and each of the Determination Date and the Distribution Date immediately following the end of that Monthly Period, the aggregate of the amount to be allocated from Total Principal Collections to meet the Redraw Principal Outstanding.
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.
Redraw Shortfall	This is described in Sections 7.5.1.
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	A related body corporate as defined in section 9 of the Corporations Act.
Relevant Investors	This is described in Section 10.9.1.
Required Excess Revenue Reserve Amount	(a) in relation to an Excess Revenue Reserve Distribution Date under paragraph (a) of the definition of that term, an amount equal to 0.20% of the aggregate of the Initial Invested Amount of all Notes issued on the

Issue Date less any amount then standing to the credit of the Excess Reserve Draw; or

(b) in relation to an Excess Revenue Reserve Distribution Date under paragraph (b) of the definition of that term, an amount equal to the Total Investor Revenues then available to be applied under Section 7.4.4(p) after its application to all preceding paragraphs in Section 7.4.4; and

(c) in relation to an Excess Revenue Reserve Distribution Date under paragraph (c) of the definition of that term, nil.

Required Liquidity Amount	This is described in Section 7.5.7.
Residential Property	This is described in Section 6.5.3.
S&P	S&P Global Ratings Australia Pty Ltd ABN 62 007 324 852.
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 9.2.1.
Secured Moneys	These are described in Section 9.2.1.
Secured Property	The Assets of the Series Trust.
Security	This is described in Section 9.2.1.
Security Provider	The Trustee in its capacity as trustee of the Series Trust.
Security Trust	The trust created by the Master Security Trust Deed.
Security Trustee	GT Australia Nominees Limited ABN 29 003 646 062.
Seller	Police & Nurses Limited ABN 69 087 651 876.
Seller Collateral Securities	This is described in Section 10.1.2.
Seller Mortgage Loans	These are described in Section 2.5.
Seller Trust	This is described in Section 10.1.2.
Seller Trust Asset	This is described in Section 10.1.2.
Senior Adverse Effect	In relation to the Secured Series Trust, any event which materially and adversely affects the amount of any payment due to be made in relation to the Senior Obligations in relation to that Series Trust or materially and adversely affects the timing of such a payment.

Senior Redraw Facility Expense Amount	Means, in respect of any Monthly Period, $2,000.
Series Supplement	This is described in Section 13.
Series Trust	The trust known as the Pinnacle Series Trust 2021-T1.
Series Trust Expenses	This is described in Section 7.4.5.
Servicer	The initial Servicer is PNL. If PNL is removed or retires 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 retail home loans.
Stated Amount	At any time 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: (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-Down Criteria	This is described in Section 7.5.5.
Successor Rate	The rate identified by the Manager to be the successor to or replacement of BBSW subject to the Disruption Event or the rate that is otherwise in customary market usage in the relevant market for the purposes of determining rates of interest (or the relevant component part thereof) for debt securities with an interest period most comparable to that of the Notes.
Support Facility	The Redraw Facility, the Mortgage Insurance Policies and any other Credit Enhancement (or any replacement of these).
Tax Act	The *Income Tax Assessment Act 1936* (Cth).
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 Rate	This is described in Section 2.6.
Total Expenses	This is described in Section 7.4.4.
Total Stated Amount	The aggregate at any given time of the Stated Amounts of the Notes.
Total Investor Revenues	This is described in Section 7.4.2.
Total Principal Collections	These are described in Section 7.5.1.
Transaction Documents	The documents described in Section 13 and any other document agreed by the Manager and the Trustee to be a Transaction Document or specified in the Series Supplement as 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 agreed between the Trustee and the Manager and in respect of which the Manager has issued a Rating Affirmation Notice.
Transfer Date	The day which is 1 Business Day prior to each Distribution Date.
Transfer Proposal	A proposal from the Manager to the Trustee given in accordance with the Master Trust Deed, for the Trustee to transfer Assigned Assets from one series trust under the Master Trust Deed to another series trust under the Master Trust Deed.
Trustee	The initial Trustee is BNY Trust Company of Australia Limited ABN 49 050 294 052. If BNY Trust Company of Australia Limited is removed or retires as Trustee, the expression includes any substitute trustee appointed in its place and the Manager whilst acting as Trustee.
Trustee Fee	The monthly fee payable to the Trustee for its trustee services. This is described in Section 10.3.6.
Trustee Indemnity Costs	Any fees, costs, charges and expenses incurred by or payable to the Trustee (in its capacity as trustee of the Series Trust) in accordance with the Transaction Documents excluding the Secured Moneys.
Unit	The Capital Units or the Income Unit in the Series Trust.
Unitholder	A holder of a Unit in the Series Trust.
Voting Secured Creditor	Means: (i) if any Class A1 Note then remains outstanding: (A) the Noteholders in respect of the outstanding Class A1 Notes; and (B) the Interest Rate Swap Provider;

(ii) if no Class A1 Notes remain outstanding, the Class A2 Noteholders and the Interest Rate Swap Provider;

(iii) if no Class A1 Notes or Class A2 Notes remain outstanding, the Class B Noteholders and the Interest Rate Swap Provider;

(iv) if no Class A1 Notes, Class A2 Notes or Class B Notes remain outstanding, the Class C Noteholders and the Interest Rate Swap Provider;

(v) if no Class A1 Notes, Class A2 Notes, Class B Notes or Class C Notes remain outstanding, the Class D Noteholders and the Interest Rate Swap Provider;

(vi) if no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes or Class D Notes remain outstanding, the Class E Noteholders and the Interest Rate Swap Provider;

(vii) if no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes remain outstanding, the Class F Noteholders and the Interest Rate Swap Provider; and

(viii) if no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes remain outstanding, the Interest Rate Swap Provider.

Warehouse Series Supplement	Pinnacle RMBS Warehouse Trust No. 1 Series Supplement dated 19 March 2010 between P&N Management Pty Limited ABN 24 009 198 681, BNY Trust Company of Australia Limited ABN 49 050 294 052 and Police & Nurses Credit Society Limited ABN 69 087 651 876.
WA Verification Practice	"The Western Australian Registrar and Commissioner of Titles Joint Practice: Verification of Identity" practice set out in chapter 14 of the Land Titles Registration Practice Manual published in May 2016 by the Western Australian Land Information Authority.
Waived Mortgagor Break Costs	The Mortgagor Break Costs that the Servicer is or was entitled to charge in respect of the Mortgage Loans but has not charged.

ANNEX 1

DETAILS OF THE MORTGAGE LOAN POOL

The following tables summarise the Mortgage Loan Pool as at the Cut-Off Date. Further information regarding the Mortgage Loans and PNL's mortgage loan business is contained in Section 6.

TABLE 1: Portfolio Summary

Description	Value
Pool Cut Date	31/08/2021
Total number of Loans	1267
Total Housing Loan Pool Size	$347,189,363
Ave Housing Loan Balance	$274,025
Max Housing Loan Balance	$988,328
Total Security Property Value	$603,403,712
Weighted Ave Term to Maturity (mths)	278.62
Maximum original loan term (years)	35
Max Term to Maturity (mths)	355
Weighted Ave Seasoning (mths)	58.17
Weighted Ave LVR	64.79
Max Current LVR	92.91
Fully Verified Loans	1267
Fixed rate loans	9.93%
Investment loans - % of total pool	15.26%
Interest Only loans - % of total pool	1.90%
Maximum single Postcode - % of total pool	3.41%

*All portfolio statistics are calculated on an unconsolidated basis unless otherwise indicated

TABLE 2: Current LVR

LVR Ranges	Number of Loans	%	Value of Loans A$	%
Up to and including 25%	87	6.87%	$7,938,340	2.29%
25.01% to 30%	34	2.68%	$5,014,524	1.44%
30.01% to 35%	73	5.76%	$12,713,075	3.66%
35.01% to 40%	72	5.68%	$14,730,873	4.24%
40.01% to 45%	69	5.45%	$13,852,106	3.99%
45.01% to 50%	66	5.21%	$14,203,238	4.09%
50.01% to 55%	81	6.39%	$21,291,081	6.13%
55.01% to 60%	84	6.63%	$23,589,817	6.79%
60.01% to 65%	102	8.05%	$29,702,361	8.56%
65.01% to 70%	123	9.71%	$39,086,718	11.26%
70.01% to 75%	134	10.58%	$44,260,155	12.75%
75.01% to 80%	176	13.89%	$59,878,518	17.25%
80.01% to 85%	101	7.97%	$37,363,922	10.76%
85.01% to 90%	51	4.03%	$18,138,608	5.22%
90.01% to 95%	14	1.10%	$5,426,027	1.56%
95.01% to 100%	-	0.00%	-	0.00%
TOTAL	1,267	100.00%	$347,189,363	100.00%

TABLE 3: Current Loan Balance

Current Balance Ranges	Number of Loans	%	Value of Loans A$	%
less than $50,001	6	0.47%	$130,240	0.04%
$50,001 to $100,000	103	8.13%	$7,736,921	2.23%
$100,001 to $150,000	120	9.47%	$15,315,979	4.41%
$150,001 to $200,000	158	12.47%	$27,889,049	8.03%
$200,001 to $250,000	177	13.97%	$40,047,484	11.53%
$250,001 to $300,000	218	17.21%	$60,013,714	17.29%
$300,001 to $350,000	171	13.50%	$55,282,820	15.92%
$350,001 to $400,000	117	9.23%	$43,782,518	12.61%
$400,001 to $450,000	88	6.95%	$37,123,378	10.69%
$450,001 to $500,000	47	3.71%	$22,198,820	6.39%
$500,001 to $550,000	25	1.97%	$13,088,939	3.77%
$550,001 to $600,000	13	1.03%	$7,480,079	2.15%
$600,001 to $650,000	8	0.63%	$4,892,789	1.41%
$650,001 to $700,000	6	0.47%	$4,013,462	1.16%
$700,001 to $750,000	5	0.39%	$3,657,219	1.05%
$750,001 to $800,000	1	0.08%	$786,066	0.23%
$800,001 to $850,000	1	0.08%	$839,117	0.24%
$850,001 to $900,000	-	0.00%	-	0.00%
$900,001 to $950,000	1	0.08%	$939,208	0.27%
$950,001 to $1,000,000	2	0.16%	$1,971,560	0.57%
$1,000,001 to $1,250,000	-	0.00%	-	0.00%
Greater than $1,250,000	-	0.00%	-	0.00%
TOTAL	1,267	100.00%	$347,189,363	100.00%

TABLE 4: The Mortgage Pool by Seasoning

Seasoning Ranges	Number of Loans	%	Value of Loans A$	%
Less than 1 months	-	0.00%	-	0.00%
>1 month to 3 months	-	0.00%	-	0.00%
>3 months to 6 months	18	1.42%	$4,376,110	1.26%
>6 months to 9 months	12	0.95%	$3,446,506	0.99%
>9 months to 12 months	15	1.18%	$4,719,854	1.36%
>12 months to 15 months	20	1.58%	$7,215,470	2.08%
>15 months to 18 months	13	1.03%	$4,467,906	1.29%
>18 months to 21 months	19	1.50%	$4,692,457	1.35%
>21 months to 24 months	15	1.18%	$4,836,918	1.39%
>24 months to 27 months	18	1.42%	$5,381,516	1.55%
>27 months to 30 months	24	1.89%	$7,292,338	2.10%
>30 months to 36 months	37	2.92%	$11,475,603	3.31%
>36 months to 42 months	98	7.73%	$30,856,374	8.89%
>42 months to 48 months	124	9.79%	$37,348,292	10.76%
>48 months to 54 months	140	11.05%	$40,422,609	11.64%
>54 months to 60 months	169	13.34%	$47,472,369	13.67%
Greater than 60 months	545	43.01%	$133,185,041	38.36%
TOTAL	1,267	100.00%	$347,189,363	100.00%

TABLE 5: The Mortgage Pool by Remaining Term

Remaining Term Ranges	Number of Loans	%	Value of Loans A$	%
0 - 5 years	1	0.08%	$161,042	0.05%
>5 to 6 years	2	0.16%	$127,263	0.04%
>6 to 7 years	6	0.47%	$491,878	0.14%
>7 to 8 years	1	0.08%	$67,832	0.02%
>8 to 9 years	5	0.39%	$572,064	0.16%
>9 to 10 years	6	0.47%	$784,895	0.23%
>10 to 11 years	11	0.87%	$1,749,940	0.50%
>11 to 12 years	17	1.34%	$2,803,952	0.81%
>12 to 13 years	16	1.26%	$2,082,942	0.60%
>13 to 14 years	27	2.13%	$4,419,713	1.27%
>14 to 15 years	19	1.50%	$3,656,942	1.05%
>15 to 16 years	44	3.47%	$8,179,139	2.36%
>16 to 17 years	39	3.08%	$8,052,647	2.32%
>17 to 18 years	50	3.95%	$9,368,938	2.70%
>18 to 19 years	78	6.16%	$18,036,067	5.19%
>19 to 20 years	51	4.03%	$12,685,433	3.65%
>20 to 21 years	47	3.71%	$12,107,653	3.49%
>21 to 22 years	47	3.71%	$12,033,113	3.47%
>22 to 23 years	69	5.45%	$21,213,711	6.11%
>23 to 24 years	98	7.73%	$28,673,636	8.26%
>24 to 25 years	179	14.13%	$53,736,526	15.48%
>25 to 26 years	209	16.50%	$64,502,791	18.58%
>26 to 27 years	150	11.84%	$49,211,834	14.17%
>27 to 28 years	43	3.39%	$15,841,371	4.56%
>28 to 29 years	35	2.76%	$12,108,225	3.49%
>29 to 30 years	17	1.34%	$4,519,816	1.30%
Greater than 30 Years	-	0.00%	-	0.00%
TOTAL	1,267	100.00%	$347,189,363	100.00%

TABLE 6: The Mortgage Pool by Occupancy Type

Occupancy Type	Number of Loans	%	Value of Loans A$	%
Owner Occupied	1,066	84.14%	$294,199,739	84.74%
Investment	201	15.86%	$52,989,624	15.26%
TOTAL	1,267	100.00%	$347,189,363	100.00%

TABLE 7: The Mortgage Pool by Loan Documentation Type

Documentation Type	Number of Loans	%	Value of Loans A$	%
Full Documentation	1,267	100%	$347,189,363	100%
Low Documentation	-	0%	-	0.00%
TOTAL	1,267	100%	$347,189,363	100%

TABLE 8: The Mortgage Pool by Repayment Type

Repayment Type	Number of Loans	%	Value of Loans A$	%
Principal & Interest	1,246	98.34%	$340,583,631	98.10%
Interest Only	21	1.66%	$6,605,732	1.90%
TOTAL	1,267	100.00%	$347,189,363	100.00%

TABLE 9: The Mortgage Pool by interest Only Remaining Term

Interest Only Remaining Term	Number of Loans	%	Value of Loans A$	%
Interest Only				
less than or equal to 12 months	5	0.39%	$1,555,072	0.45%
>12 months to 24 months	11	0.87%	$3,445,722	0.99%
>24 months to 36 months	3	0.24%	$760,279	0.22%
>36 months to 48 months	2	0.16%	$844,659	0.24%
>48 months to 60 months	-	0.00%	-	0.00%
>60 months	-	0.00%	-	0.00%
Principal and Interest	1,246	98.34%	$340,583,631	98.10%
TOTAL	1,267	100.00%	$347,189,363	100.00%

TABLE 10: The Mortgage Pool by Interest Rate Type

Interest Rate Type	Number of Loans	%	Value of Loans A$	%
Variable	1152	90.92%	$312,699,871	90.07%
Fixed	115	9.08%	$34,489,492	9.93%
TOTAL	1267	100.00%	$347,189,363	100.00%

TABLE 11: The Mortgage Pool by Mortgage Insurer

Mortgage Insurer	Number of Loans	%	Value of Loans A$	%
Genworth	167	13.18%	$50,483,111	14.54%
QBE	270	21.31%	$81,616,985	23.51%
TOTAL	437	34.49%	$132,100,096	38.05%

TABLE 12: The Mortgage Pool by Arrears Days

Arrears Days	Number of Loans	%	Value of Loans A$	%
>=31 to <61 days	-	0.00%	$ -	0.00%
>=61 to <91 days	-	0.00%	$ -	0.00%
>=91 days	-	0.00%	$ -	0.00%
TOTAL	-	0.00%	$ -	0.00%

TABLE 13: The Mortgage Pool by Geographic Distribution

Location	Number of Loans	%	Value of Loans A$	%
Brisbane Metropolitan	11	0.87%	$3,316,228	0.96%
QLD Non Metro	53	4.18%	$17,569,303	5.06%
QLD Total	64	5.05%	$20,885,530	6.02%
Sydney Metropolitan	9	0.71%	$3,336,308	0.96%
NSW Non Metro	212	16.73%	$42,534,658	12.25%
NSW Total	221	17.44%	$45,870,965	13.21%
Canberra Metropolitan	1	0.08%	$390,455	0.11%
ACT Non Metro	-	0.00%	-	0.00%
ACT Total	1	0.08%	$390,455	0.11%
Melbourne Metropolitan	13	1.03%	$4,057,064	1.17%
VIC Non Metro	3	0.24%	$444,467	0.13%
VIC Total	16	1.26%	$4,501,531	1.30%
Adelaide Metropolitan	-	0.00%	-	0.00%
SA Non Metro	-	0.00%	-	0.00%
SA Total	-	0.00%	-	0.00%
Perth Metropolitan	871	68.75%	$254,575,228	73.32%
WA Non Metro	94	7.42%	$20,965,654	6.04%
WA Total	965	76.16%	$275,540,882	79.36%
Darwin Metropolitan	-	0.00%	-	0.00%
NT Non Metro	-	0.00%	-	0.00%
NT Total	-	0.00%	-	0.00%
Hobart Metropolitan	-	0.00%	-	0.00%
TAS Non Metro	-	0.00%	-	0.00%
TAS Total	-	0.00%	-	0.00%
TOTAL	1,267	100.00%	$ 347,189,363	100.00%

TABLE 14: The Mortgage Pool by Geographic Region

Region	Number of Loans	%	Value of Loans A$	%
Metro	892	70.40%	$262,266,844	75.54%
Non Metro	362	28.57%	$81,514,081	23.48%
Inner City	13	1.03%	$3,408,438	0.98%
TOTAL	1,267	100.00%	$347,189,363	100.00%

TABLE 15: The Mortgage Pool by Loan Purpose Distribution

Loan Purpose	Number of Loans	%	Value of Loans A$	%
Purchase Exist	770	60.77%	$217,624,399	62.68%
Purchase New	58	4.58%	$18,133,603	5.22%
Home Improv	71	5.60%	$15,012,625	4.32%
REFI	368	29.04%	$96,418,737	27.77%
TOTAL	1,267	100.00%	$347,189,363	100.00%

TABLE 16: The Mortgage Pool by Employment Distribution

Employment	Number of Loans	%	Value of Loans A$	%
Employed	833	65.75%	$241,329,141	69.51%
Self Employed	23	1.82%	$7,501,442	2.16%
Retired	15	1.18%	$3,522,359	1.01%
Other	19	1.50%	$4,080,966	1.18%
Not stated	377	29.76%	$90,755,455	26.14%
TOTAL	1,267	100.00%	$347,189,363	100.00%

TABLE 17: The Mortgage Pool by Postcode Distribution

Rank	Postcodes	Number of Loans	%	Value of Loans A$	%
1	6069	36	2.85%	$11,849,583.00	3.41%
2	6065	35	2.77%	$11,247,195.30	3.24%
3	2450	42	3.33%	$8,564,194.97	2.47%
4	6164	27	2.14%	$8,529,803.57	2.46%
5	6112	28	2.22%	$8,321,383.14	2.40%
6	6061	26	2.06%	$6,255,219.63	1.80%
7	6110	29	2.30%	$6,235,528.73	1.80%
8	6210	25	1.98%	$6,216,884.68	1.79%
9	6025	19	1.50%	$6,186,348.66	1.78%
10	6171	19	1.50%	$5,782,471.96	1.67%
TOTAL		286	22.64%	$79,188,613.64	22.81%

TABLE 18: The Mortgage Pool by Term at Origination

Remaining Term Ranges	Number of Loans	%	Value of Loans A$	%
0 - 5 years	-	0.00%	-	0.00%
>5 to 6 years	-	0.00%	-	0.00%
>6 to 7 years	-	0.00%	-	0.00%
>7 to 8 years	-	0.00%	-	0.00%
>8 to 9 years	-	0.00%	-	0.00%
>9 to 10 years	5	0.39%	$595,842	0.17%
>10 to 11 years	1	0.08%	$95,229	0.03%
>11 to 12 years	1	0.08%	$80,043	0.02%
>12 to 13 years	1	0.08%	$180,769	0.05%
>13 to 14 years	4	0.32%	$711,769	0.21%
>14 to 15 years	24	1.89%	$3,520,240	1.01%
>15 to 16 years	8	0.63%	$1,707,419	0.49%
>16 to 17 years	2	0.16%	$235,138	0.07%
>17 to 18 years	11	0.87%	$1,614,371	0.46%
>18 to 19 years	16	1.26%	$3,132,155	0.90%
>19 to 20 years	78	6.16%	$15,959,506	4.60%
>20 to 21 years	14	1.10%	$2,967,939	0.85%
>21 to 22 years	16	1.26%	$4,345,175	1.25%
>22 to 23 years	17	1.34%	$3,882,891	1.12%
>23 to 24 years	20	1.58%	$5,226,379	1.51%
>24 to 25 years	114	9.00%	$28,366,086	8.17%
>25 to 26 years	13	1.03%	$3,295,300	0.95%
>26 to 27 years	32	2.53%	$8,514,513	2.45%
>27 to 28 years	31	2.45%	$9,388,759	2.70%
>28 to 29 years	53	4.18%	$18,685,665	5.38%
>29 to 30 years	805	63.54%	$234,441,636	67.53%
>30 to 35 years	1	0.08%	$242,540	0.07%
>35 to 40 years	-	0.00%	-	0.00%
Greater than 40 Years	-	0.00%	-	0.00%
TOTAL	1,267	100.00%	$347,189,363	100.00%

DIRECTORY

Seller

Police & Nurses Limited
Level 6, 556 Wellington Street
Perth WA 6000

Manager

P&N Management Pty Limited
Level 6, 556 Wellington Street
Perth WA 6000

Trustee

BNY Trust Company of Australia Limited
Level 2
1 Bligh Street
Sydney NSW 2000

Security Trustee

GT Australia Nominees Limited
Level 2
1 Bligh Street
Sydney NSW 2000

Arranger and Sole Lead Manager

Australia and New Zealand Banking Group Limited
Level 5
242 Pitt Street
Sydney NSW 2000

Solicitors for Police & Nurses Limited and the Manager

Allen & Overy
Level 25
85 Castlereagh Street
Sydney NSW 2000