

Series 2015-1 Harvey Trust

Information Memorandum

Mortgage Backed Pass-Through Floating Rate Securities

A\$690,000,000

CLASS A NOTES

Provisional Rating

"AAA(sf)" by Standard & Poor's (Australia) Pty. Ltd. ABN 62 007 324 852

"AAAsf" by Fitch Australia Pty Limited ABN 93 081 339 184

A\$40,500,000

CLASS AB NOTES

Provisional Rating

"AAA(sf)" by Standard & Poor's (Australia) Pty. Ltd. ABN 62 007 324 852

A\$15,000,000

CLASS B NOTES

Provisional Rating

"AA(sf)" by Standard & Poor's (Australia) Pty. Ltd. ABN 62 007 324 852

A\$3,375,000

CLASS C NOTES

Provisional Rating

"A(sf)" by Standard & Poor's (Australia) Pty. Ltd. ABN 62 007 324 852

A\$1,125,000

CLASS D NOTES

Not rated

DEUTSCHE BANK AG, SYDNEY BRANCH

ABN 13 064 165 162

Arranger and Joint Lead Manager

WESTPAC BANKING CORPORATION

ABN 33 007 457 141

Joint Lead Manager

NATIONAL AUSTRALIA BANK LIMITED

ABN 12 004 044 937

Joint Lead Manager

CREDIT UNION AUSTRALIA LTD

ABN 44 087 650 959

Sponsor

Dated: 24 February 2015

No Guarantee by Credit Union Australia

None of the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes nor the Class D Notes (as defined herein) represent deposits or other liabilities of Credit Union Australia Ltd ABN 44 087 650 959 (**Credit Union Australia**), any other member of the Credit Union Australia group, the Arranger or any other member of the Arranger's group, the Joint Lead Managers or any other member of a Joint Lead Manager's group. None of Credit Union Australia, CUA Financial Planning Pty Ltd (formerly Mentor Australia Financial Planning Pty Ltd) ABN 60 010 003 853 (the **Manager**), any other member of the Credit Union Australia group, the Arranger or any other member of the Arranger's group, the Joint Lead Managers or any other member of a Joint Lead Manager's group 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 Credit Union Australia, or any other member of the Credit Union Australia group, the Arranger or any other member of the Arranger's group, the Joint Lead Managers or any other member of a Joint Lead Manager's group.

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

Section	Page
1. IMPORTANT NOTICE	1
1.1 Terms	1
1.2 Purpose.....	1
1.3 Limited Responsibility for Information	1
1.4 Date of this Information Memorandum	2
1.5 Summary Only	2
1.6 Independent Investment Decision	3
1.7 Distribution to Professional Investors only	3
1.8 Issue not requiring Disclosure to Investors under the Corporations Act.....	3
1.9 Securities Act	4
1.10 Offshore Associates not to Acquire Notes	4
1.11 Disclosure of Interests.....	4
1.12 Limited Recovery.....	4
1.13 European Risk Retention Requirements	5
1.14 Conflicts of Interest.....	5
1.15 References to Ratings.....	7
1.16 Ratings	7
1.17 Selling Restrictions	7
2. SUMMARY OF THE ISSUE	8
2.1 Summary Only	8
2.2 General Information regarding the Notes.....	8
2.3 Coupon on the Notes.....	9
2.4 Repayment of Principal on the Notes.....	10
2.5 The Housing Loans	11
2.6 Structural Features	14
2.7 Further Information.....	19
3. CREDIT RATING	22
4. DESCRIPTION OF THE NOTES.....	23
4.1 General Description of the Notes	23
4.2 Coupon on the Notes.....	23
4.3 Principal Repayments on the Notes	24
4.4 Payments	26
4.5 Reporting of Pool Performance Data	26
4.6 The Register of Noteholders	27
4.7 Note Certificates	27
4.8 Transfer of Notes	27
4.9 Marked Note Transfer	28
4.10 Lodgement of Notes in Austraclear	29
4.11 Limit on Rights of Noteholders.....	29
4.12 Notices to Noteholders.....	30
4.13 Joint Noteholders	30
5. SOME RISK FACTORS	31
5.1 Limited Liability Under the Notes	31
5.2 Secondary Market Risk.....	31
5.3 Timing of Principal Distributions	31
5.4 Prepayment then Non-Payment.....	32
5.5 Delinquency and Default Risk	33

5.6	Servicer Risk	33
5.7	Assignment and risks of Equitable Assignment	34
5.8	Set-Off	34
5.9	Ability of the Trustee to Redeem the Notes	35
5.10	Breach of Representation and Warranty	35
5.11	Tax Risks	35
5.12	The Mortgage Insurance Policies	35
5.13	Australian Anti-Money Laundering and Counter-Terrorism Financing Act	36
5.14	Changes to Australian Consumer Law	36
5.15	Personal Property Securities Act 2009 (Cth)	37
5.16	European risk retention requirements; decreased liquidity in respect of the Notes	38
5.17	FATCA and similar legislation	39
5.18	Common Reporting Standard	41
5.19	Implementation of and/or changes to the Basel Framework	41
5.20	EU Savings Tax Directive	42
5.21	The proposed financial transaction tax	42
6.	HOUSING LOANS	44
6.1	Credit Union Australia	44
6.2	The Mortgage Pool	44
6.3	Eligibility Criteria	44
6.4	Housing Loan Products	45
6.5	Credit Approval Process	47
6.6	Documentation and Settlements	48
6.7	Collections	49
6.8	Servicing	49
6.9	Information on the Housing Loans	52
7.	CASH FLOW ALLOCATION METHODOLOGY	53
7.1	Principles Underlying the Allocation of Cash Flows	53
7.2	Monthly Periods, Determination Dates and Distribution Dates	53
7.3	Underlying Cash Flows	53
7.4	Determination of Investor Revenues	56
7.5	Repayment of Principal on the Notes	61
7.6	Excess Revenue Reserve and Excess Revenue Reserve Draw	64
7.7	Charge-Offs	64
7.8	Calculations and Directions	66
8.	THE MORTGAGE INSURANCE POLICIES	67
8.1	General	67
8.2	Warehouse Pool Master Policy and Pool Master Policy	68
8.3	Genworth Master Policy No. 1	71
8.4	QBE LMI Policy No. 1 and QBE LMI Policy No. 2	74
8.5	Genworth Master Policy No. 2 and Genworth Master Policy No. 3	77
8.6	The Mortgage Insurers	81
9.	SUPPORT FACILITIES AND SECURITY TRUST DEED	83
9.1	The Interest Rate Swaps	83
9.2	The Liquidity Facility	88
9.3	The Redraw Facility	91
9.4	The Security Trust Deed	94
10.	THE SERIES TRUST	102
10.1	Creation of Trusts	102
10.2	Assignment of Housing Loans	103

10.3	The Trustee	109
10.4	The Manager	114
10.5	The Servicer	116
10.6	Termination of the Series Trust.....	118
10.7	Audit and Accounts.....	119
10.8	Amendments to Master Trust Deed and Series Supplement	119
10.9	Meetings of Noteholders	120
11.	DOCUMENT CUSTODY	123
11.1	Document Custody.....	123
11.2	Document Transfer Event	123
11.3	Custodian Fee.....	124
12.	TAXATION CONSIDERATIONS	125
12.1	Income Tax Treatment of the Noteholders.....	125
12.2	Interest on the Notes: Australian Interest Withholding Tax and Pay-As-You-Go Withholding Obligations.....	125
12.3	Interest on the Notes: Tax Treaties	126
12.4	Gain or Profit on Sale of the Notes	127
12.5	Consolidation	127
12.6	Goods and Services Tax.....	127
12.7	Stamp Duty	129
13.	SELLING RESTRICTIONS	130
14.	TRANSACTION DOCUMENTS AVAILABLE FOR INSPECTION	133
15.	GLOSSARY OF TERMS	134

1. IMPORTANT NOTICE

1.1 Terms

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

1.2 Purpose

This Information Memorandum relates solely to a proposed issue of Notes by Perpetual Trustee Company Limited ABN 42 000 001 007 (**Perpetual**), in its capacity as trustee of the Series 2015-1 Harvey Trust (the **Trustee**). This Information Memorandum does not relate to, and is not relevant for, any other purpose.

1.3 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 the Section on page 5 below headed "European Risk Retention Requirements" and Section 6, which has been prepared and authorised by Credit Union Australia and in respect of which Credit Union Australia accepts sole responsibility.

None of Credit Union Australia (except for the Section on page 5 below headed "European Risk Retention Requirements" and Section 6), the Trustee, P.T. Limited ABN 67 004 454 666 (**P.T. Limited** and in its capacity as the trustee of the Security Trust, the **Security Trustee**), Deutsche Bank AG, Sydney Branch ABN 13 064 165 162 (**Deutsche Bank, Arranger** and, together with NAB and Westpac, a **Joint Lead Manager**), National Australia Bank Limited ABN 12 004 044 937 in any capacity (**NAB** and, together with Deutsche Bank and Westpac, a **Joint Lead Manager**), Westpac Banking Corporation ABN 33 007 457 141 (**Westpac** and, together with Deutsche Bank and NAB, a **Joint Lead Manager**), Standard & Poor's (Australia) Pty. Ltd. ABN 62 007 324 852 (**S&P**) or Fitch Australia Pty Limited ABN 93 081 339 184 (**Fitch** and together with S&P, the **Rating Agencies**) 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, the Security Trustee, Deutsche Bank, NAB (in any capacity) or Westpac has had any involvement in the preparation of any part of this Information Memorandum (other than the paragraph immediately below in this Section 1.3 and the Directory, where particular references to Perpetual Trustee Company Limited or P.T. Limited in their corporate capacity are contained).

Perpetual Trustee Company Limited has obtained an Australian Financial Services Licence under Part 7.6 of the Corporations Act 2001 of Australia (Australian Financial Services Licence No. 236643). Perpetual Trustee Company Limited has appointed P.T. Limited to act as its authorised representative under that licence (Authorised Representative No. 266797).

Whilst the Manager believes the statements made in this Information Memorandum are accurate, neither it nor Credit Union Australia, Perpetual, P.T. Limited, the Trustee, the Security Trustee, Deutsche Bank, NAB (in any capacity), Westpac, the Rating Agencies or their respective associates 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.

Each person receiving this Information Memorandum is deemed to acknowledge that:

- (a) they have not relied on any of the persons referred to in this Information Memorandum nor on any person affiliated with such persons in connection with their investigation of the accuracy of such information, other than in respect of sections of this Information Memorandum for which such persons expressly assume responsibility; and
- (b) they have been afforded an opportunity to request and to review, and have received and reviewed, all additional information considered by it to be necessary to verify the accuracy of or to supplement the information in this Information Memorandum.

1.4 Date of this Information Memorandum

This Information Memorandum has been prepared as at 24 February 2015 (the **Preparation Date**), based upon information available, and the facts and circumstances known, to the Manager (or, in the case of Section 1.13 below headed "European Risk Retention Requirements" and Section 6, Credit Union Australia) 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 Series 2015-1 Harvey Trust (the Series Trust), Perpetual, P.T. Limited, the Trustee, Credit Union Australia, 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 Series Trust or the Trustee 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, Credit Union Australia nor any other person accepts any responsibility to the Noteholders or prospective Noteholders to update this Information Memorandum after the Preparation Date with regard to information or circumstances which come to its attention after the Preparation Date.

1.5 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 14, at the office of the Manager 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.

1.6 Independent Investment Decision

This Information Memorandum is not intended to be, and does not constitute, a recommendation by the Manager, Credit Union Australia, the Trustee, the Security Trustee, Deutsche Bank, NAB (in any capacity) or Westpac that any person subscribe for or purchase any Notes. Accordingly, any person contemplating the subscription or purchase of the Notes must:

- (a) make their own independent investigation (with particular reference to their own investment objective and experience) of the terms of the Notes (including reviewing the Transaction Documents) and the financial condition, affairs and creditworthiness of the Trustee and the Series Trust, after taking all appropriate tax, accounting, legal and other advice from qualified professional persons; and
- (b) base (and will be deemed to 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 Credit Union Australia, the Manager or the Joint Lead Managers.

1.7 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.

1.8 Issue not requiring Disclosure to Investors under 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 a public offering of the Notes, or possession or distribution of this Information Memorandum, in any country or jurisdiction where action for that purpose is required.

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 Part 6D.2 of the Corporations Act as (a) the minimum amount payable, by each person for the Notes (after disregarding any amount lent by the person offering the Notes (as determined under Section 700(3) of the Corporations Act) or any of their associates (as determined under Sections 10 to 17 of the Corporations Act)) on acceptance of the offer or application (as the case may be) is at least \$500,000 or (b) the offer or invitation otherwise does not require disclosure to investors under Part 6D.2 of the Corporations Act and is not made to a person who is a "retail client" within the meaning of section 761G. 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.

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

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

1.9 Securities Act

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

1.10 Offshore Associates not to Acquire Notes

Under present law, interest paid in respect of the Notes will not be subject to interest withholding tax if they are issued in accordance with certain prescribed conditions set out in Section 128F of the Income Tax Assessment Act 1936 (Cth) (the **Tax Act**) and they are not acquired directly or indirectly by Offshore Associates of the Trustee in its capacity as trustee of the Series Trust or Credit Union Australia. Accordingly, the Notes must not be acquired by any Offshore Associate of the Trustee in its capacity as trustee of the Series Trust or any Offshore Associate of Credit Union Australia.

1.11 Disclosure of Interests

Each of Credit Union Australia, the Manager, the Arranger and each Joint Lead Manager 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.

1.12 Limited Recovery

Any obligation or liability of the Trustee arising under or in any way connected with the Notes, the Master Trust Deed, the Series Supplement, the Security Trust Deed or any other Transaction Document to which the Trustee is a party is limited, except in the case 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, 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 obligation or liability. Other than in the exception previously mentioned, the assets of the Trustee, the Security Trustee or any other member of the Perpetual Trustee group are not available to meet payments of interest or repayment of principal on the Notes.

None of Credit Union Australia, the Manager, any other member of the Credit Union Australia group, Deutsche Bank, NAB (in any capacity), Westpac, Perpetual, P.T. Limited, the Trustee, the Security Trustee or their respective associates 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.

1.13 European Risk Retention Requirements

Articles 404 to 410 of the Capital Requirements Regulation and Articles 51 and 52 of the AIFMR (the **Articles**) apply where European Union-regulated credit institutions, investment firms and alternative investment fund managers become exposed to the credit risk of a securitisation position (such as the Notes) and impose certain restrictions and requirements on such credit institutions, investment firms and alternative investment fund managers as investors. Failure to comply with one or more of the restrictions or requirements set out in the Articles may result in the imposition of a penalty on the relevant investor. Therefore, investors which are European Union-regulated credit institutions, investment firms and alternative investment fund managers should make themselves aware of the requirements of the Articles. There remains considerable uncertainty with respect to the Articles and it is not clear what is required to demonstrate compliance to national regulators. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the penalties for non-compliance with the Articles should seek guidance from their regulator. Similar requirements to those set out in the Articles are expected to be implemented for other European Union-regulated investors (such as insurance and reinsurance undertakings and UCITS) in the future.

In accordance with Article 405(1) of the Capital Requirements Regulation and Article 51(1) of the AIFMR, the Seller will retain on an ongoing basis, a net economic interest of at least 5% in the nominal value of the securitised exposures. As at the Closing Date such net economic interest will be comprised of an interest in randomly selected exposures equivalent to no less than 5% of the aggregate principal balance of the securitised exposures in accordance with paragraph (c) of Article 405(1) of the Capital Requirements Regulation and paragraph (c) of Article 51(1) of the AIFMR. The Seller will confirm its ongoing retention of the net economic interest described above in monthly investor reports and any change to the manner in which such interest is held will be notified to Noteholders.

Each prospective investor that is required to comply with the Articles is required to independently assess and determine the sufficiency of the information described above and in this Information Memorandum generally for the purposes of complying with the Articles and none of the Seller, the Trustee, the Security Trustee, the Manager, Deutsche Bank, NAB (in any capacity) or Westpac makes any representation that the information described above or in this Information Memorandum generally is sufficient in all circumstances for such purposes. Investors in the Notes are responsible for analysing their own regulatory position and none of Seller, the Trustee, the Security Trustee, the Manager, Deutsche Bank, NAB (in any capacity) or Westpac makes any representation to any prospective Noteholders regarding the regulatory capital treatment of their investment (or the liquidity of such investment as a result thereof) now or at any time in the future.

1.14 Conflicts of Interest

Each of the Arranger and Joint Lead Managers has disclosed to each of the Trustee, Credit Union Australia and the Manager that, in addition to the arrangements and interests it will or may have with respect to the Trustee and the Manager as described in the Transaction Documents (the **Transaction Document Interests**), it, its Related Entities (as defined in the Corporations Act), its directors, officers and employees:

- (a) may from time to time be a Noteholder or have a pecuniary interest or other interest with respect to the Notes and they may also have interests relating to other arrangements with respect to a Noteholder of a Note; and

- (b) may receive or pay fees, brokerage and commissions or other benefits, and act as principal with respect to any dealing with respect to any notes,

(the **Note Interests**).

Each of the Trustee, Credit Union Australia and the Manager acknowledges these disclosures and further acknowledges and agrees that:

- (a) the Arranger and each Joint Lead Manager and each of their Related Entities and employees (each a **Relevant Entity**) will have the Transaction Document Interests and may from time to time have the Note Interests and is, and from time to time may be, involved in a broad range of transactions including, without limitation, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research (the **Other Transactions**) in various capacities in respect of the Trustee or the Manager or any other person, both on the Relevant Entity's own account and for the account of other persons (the Other Transaction Interests);
- (b) each Relevant Entity in the ordinary course of its business (whether with respect to the Transaction Document Interests, the Note Interests, the Other Transaction Interests or otherwise) may act independently of any other Relevant Entity;
- (c) to the maximum extent permitted by applicable law the duties of each Relevant Entity in respect of the Trustee, Credit Union Australia and the Manager and the Notes are limited to the contractual obligations of the Arranger and each Joint Lead Manager to the Trustee, Credit Union Australia and the Manager as set out in the Transaction Documents and, in particular, no advisory or fiduciary duty is owed to any person;
- (d) a Relevant Entity may have or come into possession of information not contained in the Information Memorandum that may be relevant to any decision by a potential investor to acquire the Notes and which may or may not be publicly available to potential investors (**Relevant Information**);
- (e) to the maximum extent permitted by applicable law, no Relevant Entity is under any obligation to disclose any Relevant information to the Trustee, Credit Union Australia or the Manager or to any potential investor and the Information Memorandum and any subsequent conduct by a Relevant Entity should not be construed as implying that the Relevant Entity is not in possession of such Relevant Information; and
- (f) each Relevant Entity may have various potential and actual conflicts of interest arising in the course of its ordinary business, including in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests. For example, the exercise of rights against the Trustee, Credit Union Australia or the Manager arising from the Transaction Document Interests (for example, by a dealer, an arranger, an interest rate swap provider or liquidity facility provider) or from an Other Transaction may affect the ability of the Trustee, Credit Union or the Trust Manager to perform its obligations in respect of the Notes. In addition, the existence of a Transaction Document Interest or Other Transaction Interest may affect how a Relevant Entity (in another capacity) (for example, as a Noteholder) may seek to exercise any rights it may have in that capacity. These interests may conflict with the interests of the Trustee, Credit Union Australia, the Manager or Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, a Relevant Entity is not restricted from entering into, performing or enforcing its rights in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests and may otherwise continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders, the Trustee, Credit Union Australia or the

Manager, and the Relevant Entities may in so doing act without notice to, and without regard to, the interests of any such person.

1.15 References to Ratings

There are various references in this Information Memorandum to the credit rating of the Notes and of particular parties. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency. In addition, the provisional ratings of the Notes do not address the expected timing of principal repayments under the Notes. None of the rating agencies have been involved in the preparation of this Information Memorandum.

1.16 Ratings

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

Credit ratings in respect of the Notes are for distribution only to persons who are not "retail clients" within the meaning of section 761G of the Corporations Act and are also sophisticated, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or Part 7.9 of the Corporations Act and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction in which an investor may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

1.17 Selling Restrictions

For a description of certain restrictions on offers and sales of the Notes and distribution of this Information Memorandum, refer to Section 13.

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 5 classes: the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes and the Class D Notes.

Prior to enforcement under the Security Trust Deed, the allocation of principal between the Classes of Notes will occur on either a serial or sequential basis depending on whether certain conditions are satisfied or not (as described in Section 7). Prior to enforcement of the security under the Security Trust Deed, the Notes of each Class rank *pari passu* and rateably amongst themselves and sequentially as between the Classes of Notes, with the Class A Notes ranking most senior, for payment of Coupon on the Notes.

Following enforcement under the Security Trust Deed the Notes of each Class rank *pari passu* and rateably amongst themselves and sequentially as between the Classes of Notes, with the Class A Notes ranking most senior, for the payment of principal and Coupon on the Notes.

For further details on repayment of principal on the Notes, see Sections 2.4, 4.3 and 7.5. For further details on payment of Coupon on the Notes see Sections 2.3, 4.2 and 7.4.6.

Cut-Off Date: On or about 14 February 2015, or such other date that the Manager and the Seller agree.

Pricing Date: On or about 13 February 2015, or such other date that the Manager and the Joint Lead Managers agree.

Issue Date/Closing Date: Subject to the satisfaction of certain conditions precedent, on or about 25 February 2015.

Record Date The day which is one Business Day before each Determination Date.

Determination Date The day which is three Business Days before each Distribution Date.

Distribution Date	The 13th day of each month (or if such day is not a Business Day, the next Business Day). The first Distribution Date will be 13 April 2015.
Maturity Date:	13 January 2046 (or if such day is not a Business Day, the next Business Day).
Aggregate Initial Invested Amount of the Class A Notes:	A\$690,000,000.
Aggregate Initial Invested Amount of the Class AB Notes:	A\$40,500,000.
Aggregate Initial Invested Amount of the Class B Notes:	A\$15,000,000.
Aggregate Initial Invested Amount of the Class C Notes:	A\$3,375,000.
Aggregate Initial Invested Amount of the Class D Notes:	A\$1,125,000.
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:	<p>It is expected that the Class A Notes will be rated AAA(sf) by S&P and AAAsf by Fitch.</p> <p>It is expected that the Class AB Notes will be rated AAA(sf) by S&P.</p> <p>It is expected that the Class B Notes will be rated AA(sf) by S&P.</p> <p>It is expected that the Class C Notes will be rated A(sf) by S&P.</p> <p>The Class D Notes are not rated.</p>
Arranger:	Deutsche Bank.
Joint Lead Managers:	Deutsche Bank, NAB and Westpac.

2.3 Coupon on the Notes

Calculation of Coupon on the Notes:	<p>Coupon on the Notes for each Coupon Period will be calculated based on the aggregate of BBSW on the first day of that Coupon Period plus the applicable Margin for that class or sub-class of Notes.</p> <p>The Margin for the Class A Notes for the period from and including the Closing Date to but excluding the Call Date will be determined on the Pricing Date by agreement between the Manager and the Joint Lead Managers.</p>
--	--

From and including the Call Date, if not redeemed in full, the Margin for the Class A Notes will increase by 0.25% per annum.

The Margin for the other Classes of Notes (other than the Class A Notes) will also be determined on the Pricing Date by agreement between the Manager and the Joint Lead Managers but there will be no step-up on the Margin for those other Classes of Notes.

Coupon on all the Notes will be calculated based on the Invested Amount of the Notes.

For further details on the calculation of Coupon on the Notes and the Margin on the Notes, see Sections 4.2.3 and 4.2.4, respectively.

Payment of Coupon on the Notes:

Commencing 13 April 2015, subject to there being sufficient funds for this purpose, Noteholders as of record on the Record Date immediately preceding a Distribution Date will be entitled to receive payments of Coupon on the Notes monthly in arrears on that Distribution Date.

For further details on payment of Coupon on the Notes, see Sections 4.2.5 and 7.4.6.

2.4 Repayment of Principal on the Notes

Repayment of Principal:

To the extent that 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 immediately preceding Record Date.

If the Serial Paydown Conditions are not satisfied on the relevant Determination Date, the available principal (after application towards amounts ranking ahead) will be distributed on the following Distribution Date amongst the Classes of Notes sequentially, with the Class A Notes ranking most senior, until the Stated Amount of the Notes of each Class is reduced to zero.

If the Serial Paydown Conditions are satisfied on a Determination Date, the available principal will be distributed on the following Distribution Date *pari passu* and rateably amongst the Notes of all Classes until the Stated Amount of the Notes of each such Class is reduced to zero.

For further details see Sections 4.3.2, 7.5.2 and 7.5.5.

Clean-Up Offer:

If the aggregate principal outstanding on the Housing Loans on the last day of a Monthly Period, when expressed as a percentage of the aggregate principal

outstanding on the Housing Loans as at the Closing Date, is at or below 10%, the Seller may repurchase the remaining Housing Loans on the following Determination Date. The repurchase price of those Housing Loans (if the Seller elects to repurchase the remaining Housing Loans) (the **Clean-Up Settlement Price**) will be their Fair Market Value. The Manager may not direct the Trustee to exercise the Clean-Up Offer if the Clean-Up Settlement Price will be insufficient to permit the Notes to be redeemed in accordance with the Call Option. Further details on the Clean-Up Offer are contained in Section 10.2.9.

Call Option:

The Trustee may, on the direction of the Manager (and after it has given five Business Days' notice to the Noteholders), redeem all of the Notes on any Distribution Date falling on or after the first Distribution Date on which the aggregate principal outstanding on the Housing Loans on the last day of a Monthly Period, when expressed as a percentage of the aggregate principal outstanding on the Housing Loans as at the Closing Date, is at or below 10% (the **Call Date**).

If the Call Option is exercised, 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 Coupon payable on the Notes, otherwise their redemption at their Stated Amount (plus Coupon) will be subject to approval, by way of an extraordinary resolution, of the Noteholders. Further details on the Call Option are contained in Section 4.3.4.

2.5 The Housing Loans

Purchase of Housing Loans:

On the Closing Date, the Trustee will use the proceeds from the issue of the Notes to purchase a pool of housing loans (the **Housing Loans**) and related mortgages and collateral originated by the Seller (some of which may currently be securitised in a Warehouse Trust). The purchase price for the Housing Loans will be \$746,821,168 (being the total principal balance outstanding as at the Cut-Off Date in respect of the purchased Housing Loans).

The Trustee will also pay to the relevant Warehouse Trusts (in aggregate), on the Closing Date, an additional amount of \$1,019,158.33 which will entitle the Trustee to further Collections accrued on the Housing Loans purchased from the relevant Warehouse Trusts in respect of interest during the period from the Cut-Off Date to the Closing Date, up to an amount of \$1,019,158.33 (in aggregate) (the **Adjustment Advance**).

For further details on the Adjustment Advance, see Section 7.4.5.

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

Assignment of Housing Loans:

The Housing 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 Series Supplement the Trustee may be required to take certain actions to perfect its legal title to the Housing Loans and related mortgages and collateral securities. For further details on perfection of title, see Section 10.2.11.

Custody of Housing Loan Documents:

The Seller will hold custody of the underlying Housing Loan Documents on behalf of the Trustee from the Closing Date until a Document Transfer Event occurs or the Seller resigns as custodian. The Seller may appoint a Custodial Delegate as custodian of the Housing Loan Documents. For further details on custody of the Housing Loan Documents, see Section 11.1.

Servicing:

The Seller has been appointed as the initial Servicer under the Series Supplement. For further details on the Servicer, see Sections 6.8 and 10.5.

Collections:

In the case of Housing Loans acquired from a Warehouse Trust, the Trustee will be entitled to:

- (a) all Collections in respect of principal on the Housing Loans from and including the Cut-Off Date to the Closing Date; and
- (b) all Collections received in respect of Housing Loans from and including the Closing Date.

The Trustee will pay the relevant Warehouse Trust on the Closing Date an Adjustment Advance which will entitle the Trustee to further Collections accrued on the Housing Loans purchased from the relevant Warehouse Trust in respect of interest during the period from the Cut-Off Date to the Closing Date up to the amount of the Adjustment Advance.

In the case of Housing Loans acquired from the Seller, the Trustee will be entitled to all Collections received in respect of Housing Loans from and including the Cut-Off Date. Further, the Trustee will pay to the Seller on the first Distribution Date from those Collections an amount equal to the interest accrued on any Housing Loans acquired from the Seller from (and including) the previous due date for the payment of interest on each of

the Housing Loans up to (but excluding) the Cut-Off Date (the **Accrued Interest Adjustment**).

For further details on the Accrued Interest Adjustment and the Adjustment Advance, see Section 7.4.5.

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

Whilst the Collections Account is permitted to be maintained with the Servicer (see Section 2.6), the Servicer may retain the Collections it receives in respect of a Monthly Period until one Business Day before the next following Distribution Date (the **Transfer Date**), when it must deposit them into the Collections Account together with, in certain circumstances, interest earned on those Collections during the period they are held by the Servicer.

If the Collections Account is not permitted to be maintained with the Servicer (see Section 2.6) the Servicer must either:

- (a) pay all Collections it receives into the Collections Account within two Business Days of receipt or, where Collections are not received by the Servicer but are otherwise payable by the Servicer or the Seller, within two Business Days of when they fell due for payment by the Servicer or the Seller; or
- (b) deposit and maintain sufficient collateral (the **Servicer Collateral Amount**) in an account held with an Eligible Depository in the name of the Trustee (the **Servicer Collateral Account**) to collateralise the Servicer's obligations, and permit the Servicer, to retain the Collections it receives in respect of a Monthly Period and deposit such Collections into the Collections Account on the next following Transfer Date.

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 the circumstances described in (a) above. The Servicer may from time to time request that the Trustee repay any such prepaid amounts but only to the extent that those prepaid 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.

Liquidity Facility:

If there is a Remaining Net Liquidity Shortfall, the Trustee at the direction of the Manager may request an advance under the Liquidity Facility up to a total aggregate amount equal to the un-utilised portion of the Liquidity Facility Limit, being \$5,625,000 as at the Closing Date.

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

NAB will be the initial Liquidity Facility Provider.

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

Authorised Short-Term Investments:

The Trustee at the direction of the Manager may invest any excess funds in Authorised Short-Term Investments from time to time provided those Authorised Short-Term Investments are appropriately rated and mature on or before the due date for any payments required to be made by the Trustee with the relevant funds. Securitisation exposures or resecuritisation exposures (each defined in Australian Prudential Standard 120 relating to securitisation) are not eligible Authorised Short-Term Investments.

2.6 Structural Features

Mortgage Insurance:

The Noteholders' first level of protection against principal and/or interest losses on the Housing Loans is provided by the respective Mortgage Insurance Policies under which the Housing Loans are insured. The Mortgage Insurance Policies cover all principal and/or interest losses incurred (if any) on each Housing Loan. For further details on the Mortgage Insurance Policies, see Section 8.

Excess Investor Revenues:

The Noteholders' second level of protection is the monthly excess of the cash flow generated by the Housing Loans (after taking into account the operation of the swaps under any Hedge Agreement) over the interest payments to be made on the Notes and other outgoings ranking *pari passu* with or in priority to the Notes. To the extent that there is such an excess in cash flow (the **Excess Investor Revenues**) available in relation to a Distribution Date, it will be used to:

- (a) first, reimburse any unreimbursed Principal Draws (see Section 7.4.2);
- (b) second, to the extent that there are any amounts remaining, reimburse any Defaulted Amounts (see Section 7.5.3);

- (c) third, to the extent that there are any amounts remaining, reimburse any unreimbursed Charge-Offs against the Notes (see Section 7.7.3);
- (d) fourth, up to 70% of the Excess Investor Revenues available for such application, deposit to the Excess Revenue Reserve to the extent that the Excess Revenue Reserve is not equal to the Excess Revenue Reserve Target Balance;
- (e) fifth, to be applied towards the Extraordinary Expenses Reserve to the extent the amount standing to the credit of the Collections Account in respect of the Extraordinary Expenses Reserve is less than the Extraordinary Expenses Reserve Target Balance (see Section 7.5.6);
- (f) sixth, reimburse the Redraw Facility Provider and the Liquidity Facility Provider for any increased costs incurred by it in providing the Redraw Facility or the Liquidity Facility, as applicable, or other indemnity amounts payable by the Trustee and in respect of which it is entitled to be reimbursed;
- (g) seventh, pay the Hedge Provider in respect of the Fixed Rate Swap any unreimbursed Swap Costs; and
- (h) eighth, pay the Hedge Providers any termination payment payable as a result of a Hedge Provider Default Event.

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 more junior Classes of Notes:

Noteholders, other than Class D Noteholders, will have the benefit of Charge-Offs being allocated sequentially amongst the Classes of Notes, commencing with the Class D Notes. That is, to the extent that there is a loss on a Housing Loan which is not satisfied by a claim under the Mortgage Insurance Policy corresponding to that Housing Loan, or by application of Excess Investor Revenues to the extent available, the amount of the loss will be allocated *pari passu* to the Class D Notes, reducing the Stated Amount of the Class D Notes until their Stated Amount is zero. The amount of any remaining loss will then be allocated sequentially amongst the Classes of Notes, commencing with the then most junior Class of Notes, in turn reducing their Stated Amount until it is reduced to zero.

Collections Account:

Immediately after the Closing Date, the Trustee must

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 and may be held with the Servicer if the Servicer is an Eligible Depository. Where the Servicer is not an Eligible Depository, the Collections Account may still be maintained with the Servicer provided that:

- (a) the Servicer's obligations to credit to, and repay from, in accordance with normal banking practice, moneys deposited and to be deposited to the Collections Account are supported by a standby guarantee from an Eligible Depository in a form in respect of which the Manager has issued a Rating Affirmation Notice; or
- (b) the Manager has issued a Rating Affirmation Notice in relation to the Collections Account being held with the Servicer.

Interest will be earned on the amount standing to the credit of the Collections Account except, whilst the Collections Account is held with the Servicer if:

- (a) on the immediately preceding Determination Date the Manager determined that an amount referred to in Section 7.4.6(r) would be paid to the Income Unitholder on the next Distribution Date; and
- (b) an Insolvency Event does not exist in relation to the Servicer.

Although in those circumstances interest will still be payable on the amount standing to the credit of the Collections Account referable to the Extraordinary Expenses Reserve and the Excess Revenue Reserve.

If the Trustee becomes aware that the Collections Account cannot continue to be maintained with the Servicer or other financial institution at which the Collections Account is held because the Servicer or such other financial institution 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.

The initial Collections Account will be established with Westpac Banking Corporation ABN 33 007 457 141.

Extraordinary Expenses Reserve:

On the Closing Date the Seller must deposit \$150,000 into the Collections Account to form the Extraordinary

Expenses Reserve.

The Extraordinary Expenses Reserve is available to meet expenses incurred by the Trustee outside the ordinary course of business to the extent Total Investor Revenues are not sufficient for that purpose.

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

For further details see Sections 7.4.6 and 7.5.6

Excess Revenue Reserve

An Excess Revenue Reserve will be created to trap 70% of Total Investor Revenues available for that purpose on each Distribution Date until the amount standing to the credit of the Excess Revenue Reserve is equal to 0.20% of the aggregate Invested Amounts of the Notes on the Closing Date (the **Excess Revenue Reserve Target Balance**).

The Excess Revenue Reserve may be applied as part of Total Investor Revenues to meet Total Expenses to the extent that Investor Revenues are insufficient for that purpose on any Distribution Date (an **Excess Revenue Reserve Draw**).

For further details on the Excess Revenue Reserve, see Sections 7.4.2 and 7.6.

Redraw Facility:

The Seller may provide Redraws to the borrowers under the terms of Housing Loans which are Assets of the Series Trust. Where the Seller funds such Redraws from its own funds, such Redraws may be treated as an advance by the Seller under the Redraw Facility Agreement. If Total Principal Collections for a Monthly Period are insufficient to fully reimburse the Seller for Redraws made and funded by it during that Monthly Period (other than Redraws funded by Collections or treated as an advance pursuant to the Redraw Facility Agreement, as described above), 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 (being 0.45% of the aggregate Invested Amount of the Notes at that time or such other amount determined in accordance with the Redraw Facility Agreement).

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

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

Credit Union Australia will be the initial Redraw Facility Provider.

For further details on the Redraw Facility see Section 9.3.

Hedge Agreement:

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

Credit Union Australia will be the initial Hedge Provider for the Basis Swap and the Fixed Rate Swap.

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

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

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

Threshold Mortgage Rate:

On each Determination Date and on any day on which the Basis Swap is terminated, the Manager must determine the rate that is the greater of:

- (a) BBSW in respect of the current Coupon Period plus 0.25% per annum; and
- (b) the minimum interest rate (reasonably determined by the Manager) required to be set on Housing Loans which are subject to a variable rate, in order to ensure, together with amounts to be received in respect of fixed rate Housing Loans, that the Trustee will have available to it sufficient Finance Charges to enable it to meet Total Expenses as they fall due,

(or such other rate agreed between the Manager and the Seller provided that the Manager has issued a Rating Affirmation Notice in relation to the proposed rate) (the **Threshold Mortgage Rate**) and notify that rate to the Trustee, the Seller and the Servicer.

If at any time the Basis Swap terminates on or prior to its scheduled termination date and no replacement swap or other arrangements have been entered into accordance with the Transaction Documents the Servicer will be required to:

- (a) reduce the rates at which the interest off-set benefits under the Interest Off-Set Accounts are calculated; and
- (b) if that action is insufficient, ensure that the weighted average of the variable rates charged by the Servicer on the Housing Loans are at least equal to the greater of the Threshold Mortgage Rate as determined by the Manager or the rate which produces an amount of income sufficient, together with each other Housing Loan then an Asset of the Series Trust, to ensure the Trustee has sufficient Finance Charges to ensure it can comply with its obligations under the Transaction Documents when they fall due.

For further details, see Section 9.1.2.

Security Trust Deed:

The obligations of the Trustee in respect of the Notes (among other obligations) are secured by security interest granted by the Trustee over the Assets of the Series Trust in favour of the Security Trustee pursuant to the Security Trust Deed. The Security Trust Deed, the rights of Voting Secured Creditors on the occurrence of an event of default under the Security Trust Deed and the order of priority in which the proceeds of enforcement of the security are to be applied are described in Section 9.4.

2.7 Further Information

Transfer:

Following their issue, the Notes may (unless lodged with Austraclear) only be purchased or sold by execution and registration of a Note Transfer. For further details, see Sections 4.8 and 4.11.

The Notes can only be transferred if the relevant offer or invitation to purchase is an offer or invitation that is not made to a person who is a "retail client" within the meaning of Section 761G of the Corporations Act and complies with any applicable laws in all jurisdictions in which the offer or invitation is made.

Austraclear:

Following issue, the Notes can be lodged with Austraclear. For further details, see Section 4.10.

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

be held in the Austraclear system by a nominee of JP Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.

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

In addition, any transfer of interests in Notes which are held through Euroclear or Clearstream, Luxembourg will to the extent such transfer will be recorded in the Austraclear system and is in respect of offers or invitations received in Australia be subject to the Corporations Act and the other requirements set out in the Transaction Documents.

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.

Withholding Tax and TFNs:

Payments of principal and interest on the Notes will be reduced by any applicable withholding taxes (including FATCA Withholding Tax). The Trustee is not obligated to pay any additional amounts to 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 and they are not acquired directly or indirectly by any Offshore Associates of the Trustee in its capacity as trustee of the Series Trust or Credit Union Australia. Each Joint Lead Manager has agreed with the Trustee to offer the Notes for subscription or purchase in accordance with certain procedures intended to result in the public offer test being satisfied and all Notes having the benefit of the Section 128F exemption. One of these conditions is that the Trustee must not know or have reasonable grounds to suspect that a Note, or an interest in a Note, was being, or would later be, acquired directly or indirectly by any Offshore Associates of the Trustee in its capacity as trustee of the Series Trust or Credit Union Australia (other than in the capacity of a dealer, underwriter or manager in relation to a placement of the Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme). Accordingly, Offshore Associates of the Trustee in its capacity as trustee of the Series Trust or Credit Union Australia should not acquire Notes. For further information see Section 12.2.

Under current tax law, tax will be withheld on payments to an Australian resident or a non-resident who holds an interest in the Notes in carrying on business at or through a permanent establishment in Australia, who does not provide a Tax File Number (TFN) or Australian Business Number (ABN) (where applicable) or proof of a relevant exemption.

RBA repo eligibility:

The Manager has undertaken to the Joint Lead Managers to make an application to the Reserve Bank of Australia (RBA) for the purposes of ensuring that the Class A Notes and the Class AB Notes are accepted as "eligible securities" which may be lodged as collateral in relation to a repurchase agreement entered into with the RBA.

Listing

The Manager may make an application for the Trustee to be admitted to the official list of the Australian Securities Exchange operated by ASX Limited ABN 98 008 624 691 (ASX) and for the Class A Notes and the Class AB Notes to be quoted on the ASX. Any Notes which are quoted on the ASX will not be transferred through, or registered on, the Clearing House Electronic Sub-Register System operated by ASX Settlement Pty Limited ABN 49 008 504 532 and will not be "Approved Financial Products" for the purposes of that system. No assurance can be made that the application will be granted for listing and quotation on the ASX. Prospective Noteholders should consult with the Joint Lead Managers to determine their status.

3. CREDIT RATING

It is expected that S&P and Fitch will assign a long term credit rating of AAA(sf) and AAAsf respectively in respect of the Class A Notes and that S&P will assign a long term credit rating of AAA(sf) in respect of the Class AB Notes, a long term credit rating of AA(sf) in respect of the Class B Notes and a long term credit rating of A(sf) in respect of the Class C Notes.

The credit ratings of the Notes should be evaluated independently from similar ratings on other types of notes or securities. A credit rating by a 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 Rating Agency. A revision, suspension, qualification or withdrawal of the credit ratings of the Notes may adversely affect the market price of the Notes. In addition, the credit ratings of the Notes do not address the expected timing of principal repayments under the Notes, only that principal will be received no later than the Maturity Date. No Rating Agency has 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 Series Supplement and the Security Trust Deed.

The Notes have been divided into 5 classes: the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes and the Class D Notes.

Prior to the enforcement of the Security Trust Deed:

- (a) the Notes of each Class rank *pari passu* and rateably amongst themselves and sequentially as between the Classes of Notes, with the Class A Notes ranking most senior, for payment of Coupon on the Notes; and
- (b) the allocation of principal between the Classes of Notes will occur on either a sequential or serial basis depending on whether certain conditions are satisfied or not (see Sections 7.5.2 and 7.5.5).

Following enforcement under the Security Trust Deed the Notes of each Class rank *pari passu* and rateably amongst themselves and sequentially as between the Classes of Notes, with the Class A Notes ranking most senior, for the payment of principal and Coupon on the Notes.

4.2 Coupon on the Notes

4.2.1 Period for which the Notes accrue interest

Each Note accrues interest from (and including) the Closing Date and ceases to accrue interest from (and including) the earlier of:

- (a) the date on which the Stated 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 Coupon Periods

The period during which a Note accrues interest (as described above) is divided into periods (each a **Coupon Period**). The first Coupon Period is the period from and including the Issue Date to (but excluding the first Distribution Date (being 13 April 2015)). Each succeeding Coupon Period commences on (and includes) a Distribution Date and ends on (but does not include) the immediately following Distribution Date. The final Coupon Period for a Note ends on (but does not include) the date on which interest ceases to accrue on the Note (as described in Section 4.2.1).

4.2.3 Coupon Rates

The Coupon Rate for each Coupon Period in respect of each Class of Notes is the aggregate of BBSW for the Coupon Period plus the applicable Margin for that Class of Notes for the Coupon Period plus, in the case of a Class A Note only, on or after the Call Date, the Step-up Margin.

The Margin for the Notes will be determined on the Pricing Date by agreement between the Manager and the Joint Lead Managers. There will be no step-up on the Margin for Notes other than the Class A Notes.

The Margins determined on the Pricing Date will be notified to prospective Noteholders by the Joint Lead Managers.

4.2.4 Calculation of Coupon on the Notes

Coupon on each class or sub-class of Notes is calculated for each Coupon Period:

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

4.2.5 Coupon Payment on each Distribution Date

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

The Notes of each Class rank *pari passu* and rateably amongst themselves and sequentially as between the Classes of Notes, with the Class A Notes ranking most senior, for payment of Coupon on the Notes from Total Investor Revenues on each Distribution Date.

A failure to pay Coupon on Notes of a Class which are then the most senior Class of Notes outstanding within a specified period of time (see Section 9.4.2) will be an event of default under the Security Trust Deed (seniority being determined for this purposes in accordance with the cashflow that applies following the enforcement of the security under the Security Trust Deed). The events of default and the remedies available to Noteholders are detailed in Section 9.4.2 and 9.4.3. A failure to pay Coupon on Notes of a Class which are not then the most senior Class of Notes outstanding will not be an event of default under the Security Trust Deed while any amount is owing to Noteholders of the most senior Class of Notes outstanding.

No interest accrues on the amount of any Coupon shortfall.

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

4.3 Principal Repayments on the Notes

4.3.1 Final Redemption

Unless previously redeemed (or deemed to be redeemed) in full, the Notes will be redeemed at their then Stated Amount, together with all accrued but unpaid interest, on the Distribution Date falling in January 2046 (the **Maturity Date**).

4.3.2 Repayment of Principal on the Notes

On a Distribution Date, if the Serial Paydown Conditions have not been satisfied on the immediately preceding Determination Date and 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 will be applied in the following order:

- (a) first, to the Class A Noteholders in repayment of principal in respect of the Class A Notes, *pari passu* and rateably amongst the Class A Notes until the Stated Amount of the Class A Notes is reduced to zero;
- (b) second, if the Stated Amount of the Class A Notes is zero, to the Class AB Noteholders in repayment of principal in respect of the Class AB Notes, *pari passu* and rateably amongst the Class AB Notes until the Stated Amount of the Class AB Notes is reduced to zero;

- (c) third, if the Stated Amount of the Class A Notes and the Class AB Notes is zero, to the Class B Noteholders in repayment of principal in respect of 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) fourth, if the Stated Amount of the Class A Notes, the Class AB Notes and the Class B Notes is zero, to the Class C Noteholders in repayment of principal in respect of 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; and
- (e) fifth, if the Stated Amount of the Class A Notes, the Class AB Notes, the Class B Notes and the Class C Notes is zero, to the Class D Noteholders in repayment of principal in respect of 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.

On a Distribution Date, if the Serial Paydown Conditions have been satisfied on the immediately preceding Determination Date and 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 will be applied *pari passu* and rateably:

- (a) to the Class A Noteholders, in repayment of principal in respect of the Class A Notes, amongst the Class A Notes until the Stated Amount of the Class A Notes is reduced to zero;
- (b) to the Class AB Noteholders, in repayment of principal in respect of the Class AB Notes, amongst the Class AB Notes until the Stated Amount of the Class AB Notes is reduced to zero;
- (c) to the Class B Noteholders, in repayment of principal in respect of the Class B Notes, amongst the Class B Notes until the Stated Amount of the Class B Notes is reduced to zero;
- (d) to the Class C Noteholders, in repayment of principal in respect of the Class C Notes, amongst the Class C Notes until the Stated Amount of the Class C Notes is reduced to zero; and
- (e) to the Class D Noteholders, in repayment of principal in respect of the Class D Notes, amongst the Class D Notes until the Stated Amount of the Class D Notes is reduced to zero.

The determination and allocation of Total Principal Collections is explained in Section 7.5.2 and refer to Section 7.5.5 for a description of the Serial Paydown Conditions.

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 Security Trust Deed, the Notes will be deemed to be redeemed and discharged in full and any obligation to pay any accrued but unpaid interest, any then unpaid Stated Amount or any other amounts in relation to the Notes will be extinguished in full. Thereafter the Notes will cease to exist and the Noteholders will have no further rights or entitlements in respect of their Notes.

4.3.4 **Call Option**

The Trustee may, on the direction of the Manager (and after it has given five Business Days notice to the Noteholders), redeem all of the Notes on any Distribution Date falling on or after the Call Date.

The Manager may only direct the Trustee to redeem all the Notes in accordance with the foregoing if the Trustee will have sufficient funds available to it on the relevant Distribution Date to ensure that the Noteholders will receive the aggregate of the then Invested Amount of the Notes and the Coupon

payable on the Notes or otherwise the aggregate Stated Amount of the Notes (rather than the Invested Amount) if the Noteholders have approved the redemption at the Stated Amount by an extraordinary resolution.

The rights of the Seller in respect of 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.

If the Class A Notes are not redeemed on the Call Date as described in this Section 4.3.4 the Margin in respect of the Class A Notes will step-up as described in Section 4.2.3.

4.3.5 No Payment in Excess of Stated Amount

Other than as described in Section 4.3.4 or under the Security Trust Deed, no amount of principal will be paid to a Noteholder in excess of the Stated Amount applicable to the Notes held by that Noteholder.

4.4 Payments

4.4.1 Method of Payment

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

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

4.4.2 Rounding of Coupon and Principal Payments

All payments in respect of Coupon 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 or a person nominated by the Manager will, on a monthly basis, publish on Reuters and/or Bloomberg LP (or another similar electronic reporting service) pool performance data.

Pool performance data will include:

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

4.6 The Register of Noteholders

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

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

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

The Trustee may from time to time close the Register for periods not exceeding 35 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 p.m. (Sydney time) on the Record Date (or such other Business Day as is notified by the Trustee to the Noteholders from time to time) for the purpose of calculating entitlements to Coupon and principal on the Notes. The Register will be re-opened at the commencement of business on the Business Day immediately following the Determination Date on which such calculations are made. On each Distribution Date, principal and Coupon on the Notes will be paid to those Noteholders whose names appear in the Register on the Record Date preceding that Distribution Date.

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

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

4.7 Note Certificates

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

If a Note Certificate becomes worn out or defaced, then upon production of it to the Trustee, a replacement will be issued. If a Note Certificate is lost or destroyed, and upon proof of this to the satisfaction of the Trustee and the provision of such indemnity as the Trustee considers adequate, a replacement Note Certificate will be issued. A fee not exceeding \$10 may be charged by the Trustee for a replacement Note Certificate.

4.8 Transfer of Notes

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

- (a) if the offer for sale or invitation to purchase to the proposed transferee by the Noteholder is an offer or invitation that is not made to a person who is a "retail client" within the meaning of Section 761G of the Corporations Act; and
- (b) if the transfer complies with any applicable laws in all jurisdictions in which the offer or invitation is made; and
- (c) in accordance with the listing and market rules of any exchange on which the Note is listed or quoted as those rules apply to the Note ((if applicable) as explained in section 4.11).

Any Notes which are quoted on the ASX will not be transferred through, or registered on, the Clearing House Electronic Sub-Register System operated by ASX Settlement Pty Limited ABN 49 008 504 532 and will not be "Approved Financial Products" for the purposes of that system.

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 p.m. 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 Coupon 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 ten Business Days of registration, issue a Note Certificate to the transferee in respect of the relevant Notes and, where applicable, issue to the transferor a Note Certificate for the balance of the Notes retained by the transferor.

4.9 Marked Note Transfer

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

4.10 Lodgement of Notes in Austraclear

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

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

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

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

4.11 Limit on Rights of Noteholders

Apart from any security interest arising under the Security Trust Deed (as to which see Section 9.4), the Noteholders do not own and have no interest in the Series Trust or any of its assets. In particular, but without prejudice to the rights and powers of the Noteholders under the Security Trust 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 Assets of the Series Trust;
- (b) require the transfer to it of any Asset of the Series Trust;
- (c) attend meetings or take part in or consent to any action concerning any property or corporation in which the Trustee has an interest;
- (d) exercise any rights, powers or privileges in respect of any Asset of the Series Trust;
- (e) lodge a 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 Housing 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 Manager or the Trustee;
- (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 Security Trust 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 its 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 the Series Supplement.

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 risks described below are some of the principal risks inherent in the transaction for Noteholders and the discussion in relation to those Notes indicates some of the possible implications for Noteholders. However, an inability of the Trustee to pay Coupon 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 Coupon 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 a limited secondary market for the Notes. Each Joint Lead Manager has undertaken to use reasonable endeavours, subject to market conditions, to assist Noteholders so requesting them to locate potential purchasers of Notes from time to time in order to facilitate liquidity in the Notes. There is no assurance that as a result of this action any secondary market will develop or, if one does develop, that it will provide liquidity of investment or will continue for the life of the Notes. No assurance can be given that it will be possible to effect a sale of the Notes; nor can any assurance be given that, if a sale takes place, it will not be at a discount to the acquisition price.

5.3 Timing of Principal Distributions

Set out below is a description of some circumstances in which the Trustee may receive early or delayed repayments of principal on the Housing 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 Housing Loan;
- (b) receipt of insurance proceeds by the Trustee in relation to an insurance claim in respect of a Housing Loan;
- (c) repurchases of Housing 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 five Business Days prior to the expiry of the Prescribed Period in relation to the relevant Housing Loan, that any of the representations and warranties made by the Seller in respect of that Housing Loan were incorrect when given (see Sections 10.2.4 and 10.2.6);
 - (ii) the Seller making a Further Advance under a Housing Loan which causes an increase in the Scheduled Balance for that Housing Loan, providing an additional feature in

relation to a Housing Loan or for any similar purpose (which may include for example, permitting a borrower under a Housing Loan which is subject to a variable rate of interest requesting that that Housing Loan be converted to a fixed rate of interest) (see Section 10.2.7);

- (iii) there being a change in law which leads to the Series Trust being terminated early and the Housing Loans are then repurchased by the Seller or sold to a third party (see Section 10.6); or
- (iv) the Seller exercising its rights in respect of the Clean-Up Offer (see Section 10.2.9);
- (d) the Servicer is obliged to service the Housing Loans in accordance with its Servicing Guidelines or, to the extent not covered by the Servicing Guidelines, 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 Housing 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 Housing Loans (see Section 10.5.1) and comply with the express limitations in the Series Supplement;
- (e) the terms and conditions of the Housing 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 Housing Loan in full. Housing Loans which are secured by mortgaged property which may be substituted in this way may show a slower rate of prepayment than Housing Loans secured by mortgaged property which cannot be substituted in this way;
- (f) the terms and conditions of a Housing Loan and its related securities may allow a borrower, at the discretion of the Seller, to redraw funds previously prepaid by that borrower. This may slow the rate of prepayment on the Housing Loans; and
- (g) the mortgage which secures a Housing 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 Housing Loan. This may in turn result in the relevant Housing Loan being prepaid earlier than would otherwise be the case. This may occur notwithstanding there being no default under the Housing Loan.

5.4 Prepayment then Non-Payment

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

The failure of borrowers to make payments when due after an amount has been prepaid under their Housing Loans may affect the ability of the Trustee to make timely payments of Coupon and principal to Noteholders. If the Trustee has insufficient funds to pay Coupon on the Notes because the above situation has occurred, the Trustee may be entitled to make a drawing under the Liquidity Facility for the amount of the deficiency (as to which, see Section 9.2) up to a total aggregate amount equal to the

un-utilised portion of the Liquidity Facility Limit or apply the Excess Revenue Reserve (see Section 7.4.2). The Liquidity Facility and the Excess Revenue Reserve 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 Coupon and principal on the Notes in full is limited by reference to, amongst other things, receipts under or in respect of the outstanding Housing Loans. Noteholders must rely, amongst other things, for payment upon payments being made under the Housing Loans and on amounts available under the Mortgage Insurance Policies and, if and to the extent available, amounts available to be drawn under the Liquidity Facility or applied from the Excess Revenue Reserve (see Sections 9.2 and 7.6).

If borrowers fail to make their monthly payments when due (other than when the borrower has prepaid principal under its Housing Loan, as to which see Section 5.4), there is a possibility that the Trustee may have insufficient funds to make full payments of Coupon 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 Housing Loans.

In particular, as at the Cut-Off Date, some of the Housing Loans will be set at variable rates. These rates are reset from time to time at the discretion of the Servicer (see Section 6.4.2). It is possible, therefore, that if these rates increase significantly relative to historical levels, borrowers may experience distress and increased default rates on the Housing Loans may result.

If a borrower defaults on payments to be made under a Housing Loan and the Servicer seeks to enforce the mortgage securing the Housing 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 Housing 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 Section 8) or the availability of the Liquidity Facility and the Excess Revenue Reserve (see Sections 7.4.2, 7.6 and 9.2).

Noteholders will bear the investment risk resulting from the delinquency and default experience of the Housing 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 such appointment and the substitute Servicer has executed a deed under which it agrees to service the Housing 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 Housing 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 three months' notice in writing to the Trustee and each Rating Agency (or, if the Trustee has agreed to a lesser period of notice, that lesser period). For further details see Section 10.5.5.

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

5.7 Assignment and risks of Equitable Assignment

The Housing Loans will initially be assigned by the Seller to the Trustee in equity. If the Trustee declares that a Perfection of Title Event has occurred under the Series Supplement (see Section 10.2.11), 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 Housing Loans (see Section 10.2.11 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 Housing Loans.

The delay in the notification to a borrower of the assignment of the Housing 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 Housing Loans and is obliged to deal with all moneys received from borrowers in accordance with the Series Supplement and to service those Housing Loans in accordance with the Servicing Standards (see Section 6.8);
- (b) until a borrower, guarantor or security provider has notice of the assignment, rights of setoff or counterclaim may accrue in favour of the borrower, guarantor or security provider against its obligations under the Housing Loans which may result in the Trustee receiving less money than expected from the Housing Loans (see Section 5.8 below);
- (c) for so long as the Trustee holds only an equitable interest in the Housing Loans, the Trustee's interest in the Housing Loans may become subject to the interests of third parties created after the creation of the Trustee's equitable interest but prior to it acquiring a legal interest. To reduce this risk, the Servicer has undertaken not to consent to the creation or existence of any security interest over the mortgages securing the Housing Loans; and
- (d) for so long as the Trustee holds only an equitable interest in the Housing 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 Housing Loan. In this regard, the Servicer undertakes to service (including enforce) the Housing Loans in accordance with the Servicing Standards.

5.8 Set-Off

The Housing 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 Housing 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 Housing 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 Housing 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 Housing 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 Trust Deed, the Security Trustee will be required to apply moneys otherwise available for distribution in the order of the priority set out in the Security Trust Deed (described in Section 9.4.4). The moneys available to the Security Trustee for distribution may not be sufficient to satisfy in full the claims of all or any of the Noteholders and neither the Security Trustee nor the Trustee will have any liability to the Noteholders in respect of any such deficiency. Although the Security Trustee may seek to obtain the necessary funds by means of a sale of the outstanding Housing 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 Housing Loans for the principal amount then outstanding under such Housing Loans.

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

5.10 Breach of Representation and Warranty

The Trustee will have the benefit of representations and warranties made by the Seller to the relevant Warehouse Trust in relation to the Housing Loans assigned by the relevant Warehouse Trust to the Trustee (when those Housing Loans were first assigned by the Seller to the relevant Warehouse Trust) as at the relevant cut-off date for those Housing Loans (see Section 10.2.4). The Seller makes certain representations and warranties as at the Cut-Off Date to the Trustee in relation to the Housing Loans to be assigned to the Trustee by the Seller (see Section 10.2.4). The Trustee has not investigated or made any enquiries regarding the accuracy of the representations and warranties. Under the Series Supplement the Trustee is under no obligation to test the truth of the representations and warranties and is entitled to rely entirely upon the representations and warranties being correct unless it is actually aware of any breach (see Section 10.2.5). The Seller has agreed in the Series Supplement to repurchase any Housing Loan in respect of which it is discovered by the Trustee, the Manager or the Seller within the Prescribed Period in relation to that Housing 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 five Business Days prior to the expiry of that Prescribed Period. If the Trustee discovers that a representation and warranty was incorrect when given in relation to a Housing 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 Housing 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 Housing Loans. The rights of the Trustee in respect of any representation or warranty being incorrect are described in more detail in Section 10.2.6.

5.11 Tax Risks

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

5.12 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). This

may affect the ability of the Trustee to make timely payments of Coupon 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 10.2.6) or for breach of its obligations as Servicer (see Section 10.5.4).

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

An entity has obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (the **AML/CTF Act**), where it provides a designated service which includes:

- opening or providing certain accounts, allowing any transaction in relation to such an account or receiving instructions to transfer money in and out of such an account;
- making loans to a borrower or allowing a transaction to occur in respect of that loan in certain circumstances;
- providing a custodial or depository service;
- issuing or selling a security in certain circumstances; and
- exchanging one currency for another in certain circumstances.

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

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

5.14 Changes to Australian Consumer Law

(a) Unfair Terms

On 1 July 2010, the Trade Practices Amendment (Australian Consumer Law) Act No. 1 2010 (**TPA Act**) came into force. The TPA Act introduced into the Trade Practices Act 1974 (Cth) (which was subsequently amended and renamed the Competition and Consumer Act 2010) a national unfair terms regime whereby a term of a standard form consumer contract entered into or varied on or after 1 July 2010 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.

In New South Wales, the unfair terms regime (contained in Part 5G of the Fair Trading Act 1987 (NSW)) was enacted on 1 July 2010 which mirrors the unfair terms regime set out in the TPA Act. These provisions will apply to loans which are originated or varied on or after 1 July 2010.

In June 2009, Victoria extended its unfair terms regime (contained in Part 2B of the Fair Trading Act 1999 (Vic)) to apply to UCCC regulated credit contracts, which had previously been excluded. Under the Victorian regime, a term in a consumer contract is unfair and therefore void if it is a prescribed unfair term or if a court or Tribunal determines that in all the circumstances it causes a significant imbalance in the parties' rights and obligations arising under the contract to the detriment of the consumer. Under the transitional provisions, the legislation will apply to existing loans in the loan pool to the extent a term of a loan contract is originated or varied on or after 11 June 2009, but, in the case of a variation, only to the extent of the variation.

Western Australia has implemented the unfair terms regime set out in the TPA Act with effect from 1 January 2011 by enactment of a new single act – Fair Trading Act 2010 (WA) – that will replace the

existing Consumer Affairs Act 1971 (WA), Fair Trading Act 1987 (WA) and Door to Door Trading Act 1987 (WA).

(b) *National Consumer Credit Legislation*

The National Consumer Credit Protection Act 2009 Cth (**NCCP Act**), which includes a new National Credit Code (**Credit Code**), commenced on 1 July 2010.

The Credit Code applies (with some limited exceptions) to Housing Loans that had previously been regulated under the Consumer Credit Code and also to all new consumer 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 loan.

Obligations under the NCCP Act extend to the Seller and, following a perfection of title by the Trustee in respect of any Housing Loans, the Trustee and their respective service providers (including the Servicer) in respect of the Housing Loans.

Under the terms of the Credit Code each of the Seller and, following a perfection of title by the Trustee in respect of any Housing Loans, the Trustee would be a "credit provider" with respect to regulated loans, 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 indemnified the Trustee for any civil or criminal penalties in respect of Credit Code violations caused by the Servicer (except to the extent such penalties arise as a result of the fraud, negligence or wilful misconduct of the Trustee). There is no guarantee that the Trustee will have the financial capability to pay any civil or criminal penalties which arise from Credit Code violations.

If for any reason the Servicer does not discharge its obligations to the Trustee, then the Trustee will be entitled to indemnification from the Assets of the Series Trust. Any such indemnification may reduce the amounts available to the Trustee to make payments due in respect of the Notes when due.

Under the Credit Code, a borrower in relation to a regulated Housing Loan may have the right to apply to a court to:

- (a) vary the contractual terms applicable to that Housing Loan on the grounds of hardship or that it is an unjust contract;
- (b) reduce or cancel any interest rate payable on the Housing Loan which is unconscionable;
- (c) have certain provisions of the Housing Loan or related security which are in breach of the legislation declared unenforceable; or
- (d) obtain restitution or compensation in relation to any breach of the Credit Code.

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

5.15 Personal Property Securities Act 2009 (Cth)

A new personal property securities regime commenced operation throughout Australia on 30 January 2012 pursuant to the PPSA. The PPSA adopts a "functional approach" to security interests. This means that the PPSA regulates any interest in relation to personal property that, in substance, secures payment or performance of an obligation. In addition, the PPSA regulates security interests which are deemed to arise upon the transfer of certain types of assets (including loans); these are generally

referred to as "deemed security interests". The PPSA does not regulate the granting of security interests in land.

The PPSA applies not only to security interests which come into existence after 30 January 2012, but also to security interests evidenced by agreements that were already in existence as at 30 January 2012. This type of security interest is referred to as a "transitional security interest". Generally, in order to be perfected under the PPSA, a security interest, whether or not it is a transitional security interest, should be registered on the register maintained pursuant to the PPSA (the **PPS Register**). Where a transitional security interest was already registered on an existing public register, such as under the Corporations Act charges registration regime, as at 30 January 2012 that security interest should have been migrated by the Australian federal government to the PPS Register and thereby perfected under the PPSA. Transitional security interests which were not registered on any existing public register as at 30 January 2012 (such as any deemed security interest arising before 30 January 2012) were temporarily perfected under the PPSA for a period of 2 years from 30 January 2012 and needed to be registered within that 2 year period in order to preserve priority rights.

If the details held by the relevant existing public register in relation to a transitional security interest are incorrect or insufficient or if, as a result of human or systemic error those details were not properly migrated to the PPS Register, or there is not a separate registration within the two year period, there is a risk that other persons with competing interests in the personal property may take free of that security interest because it will not have been perfected. However, transitional relief for a period of 60 months commencing from 30 January 2012 will apply to mitigate any such risk in relation to an error in respect of details on the PPS Register arising solely as a result of human or systemic error in the migration process. 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 lessee or other Trustee 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 is different from its priority under the previous regime. As a result, there could be delays and/or reductions in collections on the Housing Loans available to make payments on the Notes.

Although the Trustee is required under the 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 the Seller, the Servicer and the Manager agree to do all things reasonably necessary (including, without limitation, directing the Trustee or the Security Trustee to take any required action) to permit the Security to be perfected by registration on the PPS Register and to otherwise perfect the Trustee's interest in the Assets of the Series Trust in the context of the PPSA, there can be no assurance that such actions will be successful in achieving such perfection.

On 4 April 2014 the Attorney General announced a review of the PPSA as required by the Act itself. An Interim Report was delivered in July 2014 and consultation papers have been progressively released since September 2014 addressing issues raised in submissions made by interested parties. A final report is due to be prepared by 30 January 2015 and will include recommendations on improvements to the PPSA. At this stage the impact of any such proposals, if adopted, on the Series Trust is not clear but it would not be anticipated to be materially prejudicial to Noteholders.

5.16 European risk retention requirements; decreased liquidity in respect of the Notes

In Europe, the United States and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the

regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Seller, the Trustee, the Manager nor the Joint Lead Managers makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

In particular, investors should be aware of Article 405 of the Capital Requirements Regulation and Article 51 of the AIFMR (as may be implemented with or without change of any relevant state of the European Economic Area) which restrict European-Union regulated institutions (**Affected Investors**) from investing in a securitisation unless the originator, sponsor or original lender in respect of that securitisation has explicitly disclosed to the investor that it will retain, on an ongoing basis, a net economic interest of not less than 5 per cent in that securitisation in the manner contemplated by Article 405 and Article 51. In this respect, the Seller intends to retain a net economic interest in this transaction in accordance with the requirements of Article 405 and Article 51. For further information please see Section 1.13. Failure to comply with one or more of the requirements set out in Article 405 of the Capital Requirements Regulation or Article 51 of the AIFMR will result in the imposition of penalties on the Affected Investor.

Articles 404 to 410 of the Capital Requirements Regulation and Articles 51 and 52 of the AIFMR apply in respect of the Notes. Affected Investors should therefore make themselves aware of the requirements of these regulations, where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of the Seller to retain a material net economic interest in the securitisation as contemplated by these regulations and with respect to the information to be made available by the Trustee or another relevant party (or, after the Closing Date, by the Seller in its capacity as the Servicer on the Trustee's behalf) in relation to the due diligence requirements under these regulations, please see the statements set out in Section 1.13 of this Information Memorandum. Affected Investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with these regulations and none of the Trustee, the Seller (also in its capacity as the Servicer), the Manager nor any Joint Lead Manager makes any representation that the information described above is sufficient in all circumstances for such purposes.

There remains considerable uncertainty with respect to these regulations and it is not clear what is required to demonstrate compliance to national regulators. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the penalties for non-compliance should seek guidance from their regulator. Similar requirements are expected to be implemented for other EU regulated investors (such as insurance and reinsurance undertakings and UCITS funds) in the future.

These regulations and any other changes to the regulations or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

5.17 FATCA and similar legislation

The Foreign Account Tax Compliance Act (**FATCA**) was enacted by the United States Congress in March 2010 as part of its efforts to improve compliance with their tax laws. FATCA is aimed at detecting US taxpayers who use accounts with offshore (non-US) financial institutions to conceal income and assets from the US Internal Revenue Service (**IRS**). The relevant provisions are contained in the US Internal Revenue Code 1986 and are supplemented by extensive US Treasury Regulations that were issued on 17 January 2013 (and have been subject to subsequent amendment). FATCA started applying from 1 July 2014.

FATCA focuses on reporting by:

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

The objective of FATCA is the reporting of foreign (non-US) financial assets; withholding at 30 per cent on US source income is the cost of failing to comply with FATCA. This means that FATCA will impose certain due diligence and reporting obligations on foreign (non-US) financial institutions. To avoid being withheld upon, a foreign financial institution must generally register with the IRS, obtain a Global Intermediary Identification Number (**GIIN**) and report certain information on US accounts to the IRS. However, where a jurisdiction enters into an Intergovernmental Agreement (a **FATCA Agreement**) with the US to implement FATCA, the reporting and other compliance burdens on the financial institutions in that jurisdiction may be simplified.

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

- (a) reporting Australian Financial Institutions (**Reporting AFIs**) will report to the Commissioner of Taxation (and not the IRS) and that information will be made available to the IRS by the Commissioner of Taxation;
- (b) certain Australian financial institutions and accounts will be deemed compliant or exempt from FATCA (e.g. superannuation funds);
- (c) Reporting AFIs, that is, Australian Financial Institutions that are not deemed compliant or exempt, will need to:
 - (i) register with the IRS and obtain a GIIN; and
 - (ii) undertake due diligence procedures and report to the Commissioner of Taxation each year regarding certain financial accounts held by US citizens or US residents or specified US entities established in the US or controlled by US persons; and
- (d) there will be no 30% withholding on the US source income of Reporting AFIs, unless there is significant non-compliance by a Reporting AFI with its FATCA Agreement obligations, and the Reporting AFI is treated by the IRS as a non-participating financial institution.

To implement the FATCA Agreement between Australia and the United States, Australian domestic legislation in the form of Tax Laws Amendment (Implementation of the FATCA Agreement) Act 2014 (Cth), which received Royal Assent on 30 June 2014, introduces new Division 396 to Schedule 1 to the Taxation Administration Act 1953 (Cth). With effect from 1 July 2014, those amendments require Reporting AFIs to collect and retain information about their customers who are likely to be taxpayers in the US and to provide that information to the Commissioner of Taxation, who will, in turn, provide that information to the IRS. For the 2015 and 2016 calendar years, Reporting AFIs must also give the Commissioner of Taxation information about payments made to "Nonparticipating Financial Institutions."

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

In the event that the Trustee or any other person is required to withhold amounts under or in connection with FATCA from any payments made in respect of the Notes, Noteholders and beneficial owners of

the Notes will not be entitled to receive any gross up or additional amounts to compensate them for such withholding.

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

Future guidance issued by the ATO or the IRS may affect the application of FATCA to the Notes. For instance, on 11 September 2014, the ATO released version 2 of its Guidance Material on FATCA to assist with compliance.

5.18 Common Reporting Standard

The Standard for Automatic Exchange of Financial Account Information in Tax Matters calls on governments to obtain detailed account information from their financial institutions and exchange that information automatically with other jurisdictions on an annual basis utilising a common reporting standard agreement. The standard, developed at the OECD under a mandate from the G20, was endorsed by G20 Finance Ministers in February 2014, and has been approved by the OECD Council.

The Australian Government has announced that it intends to implement the Common Reporting Standard (**CRS**) in a staged process from 1 January 2017, subject to further consultation with financial institutions and a final Government decision on implementation.

To minimise business and tax administrations' implementation and compliance costs, the CRS draws extensively on the intergovernmental approach to implementing FATCA for due diligence procedures and reporting.

The staged implementation is intended to allow financial institutions to voluntarily implement the CRS from 1 January 2017 and require all financial institutions to implement it by 1 January 2018. The Australian Treasury will be undertaking further consultation with financial institutions and other G20 countries to examine the scope to reduce the CRS' compliance costs prior to the final Australian Government decision on implementation.

In the G20 Leaders' Communiqué issued by the Australian Government in respect of the Brisbane G20 Leaders' Summit, held between 15-6 November 2014, the Australian Government endorsed the CRS for the automatic exchange of tax information (**AEOI**) on a reciprocal basis. The Australian Government announced that we will begin to exchange information automatically with each other and other countries by 2017 or the end of 2018, subject to completing necessary legislative procedures.

Provided that the requirements of the CRS are duly complied with if and when the CRS is implemented in the form that is currently proposed, it is not expected that the CRS should result in a need to withhold from any payments to Noteholders under the Notes.

5.19 Implementation of and/or changes to the Basel Framework

The Basel Committee on Banking Supervision (the **Basel Committee**) approved significant changes to the Basel II regulatory capital and liquidity framework (such changes being commonly referred to as Basel III) in 2011. In particular, Basel III provides for a substantial strengthening of existing prudential rules, including requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio). It is intended that member countries will implement the new capital standards and the new Liquidity Coverage Ratio as soon as possible (with provision for phased implementation, meaning that the measure will not apply in full until January 2019) and the Net Stable Funding Ratio from January 2018. Implementation of Basel III requires national legislation and therefore the final rules and the timetable

for its implementation in each jurisdiction may be subject to some level of national variation. The Basel Committee has also recently, in December 2014, published revisions to the securitisation framework, including changes to the approaches to calculating risk weights and a new risk weight floor of 15%.

In Australia, APRA has implemented prudential standards, practice guides and reporting requirements to give effect to these reforms. On 29 April 2014 APRA released a Discussion Paper in relation to proposed amendments to Australian Prudential Standard 120 (**APS 120**). It is too early to tell what aspects of that Discussion Paper will ultimately become applicable for ADIs in Australia (APRA has not yet released its draft of the proposed revised APS 120), and in any event the Discussion Paper indicates that the proposed revised APS 120 will not be implemented prior to 2016.

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

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

5.20 EU Savings Tax Directive

Under EC Council Directive 2003/48/EC (the Directive) on the taxation of savings income, EU member states (each a **Member State**) are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also apply a "look through approach" to payments made via certain persons, entities or legal arrangements (including trusts and partnerships), where certain conditions are satisfied, where an individual resident in a Member State is regarded as the beneficial owner of the payment for the purposes of the Directive. This approach may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria and Luxembourg are instead required (unless during such period they elect otherwise) to operate a withholding tax in relation to such payments. Luxembourg has announced that it will no longer apply the withholding tax system as from 1 January 2015 and will then commence automatic information exchange under the Directive. The transitional period will end after agreement on exchange of information is reached between the EU and certain non-EU states.

A number of non-EU countries and territories, including Switzerland, have adopted equivalent measures (a withholding system in the case of Switzerland).

Investors who are in any doubt as to their position should consult their professional advisors.

5.21 The proposed financial transaction tax

The European Commission has published a proposal for a Directive for a common financial transaction tax (**FTT**) in certain participating Member States.

The proposed FTT has very broad scope and could apply to certain dealings in financial instruments (including secondary market transactions).

The FTT could apply to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in financial instruments where at least one party is a financial institution, and either:

- (a) at least one party is established or deemed to be established in a participating Member State;
or
- (b) the financial instruments are issued in a participating Member State.

The proposed Directive remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

6. HOUSING LOANS

6.1 Credit Union Australia

As Australia's largest customer-owned financial institution, Credit Union Australia provides banking services to more than 400,000 Australians across the country and is emerging as a competitive force in Australian banking. Credit Union Australia is 100% owned by its customers, not shareholders, with profits reinvested back in to the business in the form of more competitive products, better interest rates and lower fees. Membership of the organisation is non-transferable and has no "traded value" (as in share price). Each member has an equal vote in the direction and governance of the mutual, no matter how much business or dollar value they may have with the organisation.

Credit Union Australia is an Authorised Deposit-taking Institution (**ADI**) under the Banking Act and is a fully regulated by the Australian Prudential Regulation Authority (**APRA**). Credit Union Australia also issues securities which fit the current Reserve Bank of Australia (**RBA**) eligibility criteria for repurchase agreements and holds relevant Financial Services Licences, and complies with extensive Australian government regulation.

6.2 The Mortgage Pool

The Mortgage Pool consists of 3,128 Housing Loans with Current Balances totalling \$746,821,168 as at the close of business on 13 February 2014 (the **Mortgage Pool**). A statistical analysis of the Mortgage Pool is contained in Annexure 1.

6.3 Eligibility Criteria

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

- (a) All Housing Loans must:
 - (i) be advanced and repayable in Australian Dollars;
 - (ii) be secured by a mortgage which is either:
 - (A) a first ranking mortgage; or
 - (B) a second ranking mortgage where:
 - (1) there are 2 mortgages over the land securing the Housing Loan and the Seller is the first mortgagee; and
 - (2) the first-ranking mortgage is also being acquired by the Trustee;
 - (iii) be secured by a mortgage over land which is residential property;
 - (iv) have a stated term to maturity at the Cut-Off Date not exceeding 30 years and such stated term to maturity is not within 18 months of the Maturity Date;
 - (v) have a loan-to-value ratio (**LVR**) not exceeding 95% determined at or about the time of the Cut-Off Date;
 - (vi) be assignable by the Seller in equity without prior consent being required from, or notice of the assignment needing to be given to, the mortgagor or any other person;

- (vii) have a total principal amount of at least \$10,000 as at the Cut-Off Date (as recorded on the Housing Loan System);
 - (viii) have been drawn down at least three months prior to the Cut-Off Date;
 - (ix) have the benefit of a primary or pool mortgage insurance policy providing 100% cover for principal and interest losses from an Approved Mortgage Insurer; and
 - (x) be a loan pursuant to which the Seller is entitled to receive payments in respect of principal and interest or interest only under the terms of the loan.
- (b) All Housing Loans must not be:
- (i) partially drawn down;
 - (ii) a loan secured by a mortgage over land which does not contain a residential building;
 - (iii) a loan in favour of a present employee of the Seller;
 - (iv) a loan whose Arrears Days (if it were a Housing Loan) would be greater than 30 as calculated at the Cut-Off Date in relation to the Housing Loan;
 - (v) a loan in relation to which interest may be paid by the borrower, without the consent of the Seller, in advance;
 - (vi) a loan that has a fixed rate period greater than five years; or
 - (vii) a loan in relation to which the borrower's income has not been verified.

6.4 Housing Loan Products

6.4.1 Loan Purpose

The Seller offers Housing Loans for both owner occupier and investment purposes with, in each case, the benefit of the interest rate options described in Section 6.4.2 and are secured by residential property.

6.4.2 Interest Rate Options

The Housing Loans have a number of different interest rate options:

- (a) **Variable Rate Loans:** The variable rate is a rate determined by the Seller (as Servicer of the Housing Loans). Whenever the rate is varied a new repayment amount is determined if the existing repayment amount is not sufficient to repay the loan within the term. The borrower is notified of the new interest rate and the new repayment amount, if applicable.

Included in the Mortgage Pool are introductory variable rate loans (**Introductory Variable Rate Loans**). The rates applicable to the Introductory Variable Rate Loans are at a discount to the standard variable interest rates. An Introductory Variable Rate can only apply to a Housing Loan when it is first issued and cannot be applied again to that Housing Loan.

Borrowers may apply to switch from a variable rate to a fixed rate. If approved, the borrower must pay a "Switch fee".

The Seller has other variable rate housing loan products which offer discounted rates to the standard variable interest rate and are offered for specific reasons such as limited product features (**Basic Variable**), size of loan amount or loyalty period (**Discount Variable**).

- (b) **Fixed Rate Loans:** Borrowers may fix the interest rate on their Housing Loans for a period of one, two, three or five years, converting automatically at the end of the agreed fixed rate period to a variable rate. The borrowers may choose to fix the interest rate for a further period.

Early Payout Fees: If a borrower breaks the fixed rate contract prior to its expiry, they may be subject to an early payout fee (**EPF**).

The EPF is the difference between:

- (a) the net present value of the amount that the Seller would have received from the borrower had the borrower continued to repay the Housing Loan as agreed for the balance of the fixed rate period; and
- (b) the net present value of the amount the Seller would be able to receive by investing the balance of the Housing Loan in the wholesale money market at a fixed interest rate for the remainder of the fixed rate period.

6.4.3 **Redraw Facility**

Borrowers may, subject to the approval of the Seller, redraw their Housing Loans, provided that the balance of the Housing Loan after the redraw does not exceed the scheduled loan amortisation balance (the **Scheduled Balance**).

The funding of Redraws is described in Section 9.3.1.

6.4.4 **Interest Off-Set**

Borrowers may elect to link an eligible savings or transaction account to their Housing Loan. If an eligible account is linked to a Housing Loan and the mortgagor has a certain minimum credit balance in the account (currently \$500.00), the interest charged on the Housing Loan is calculated on a "net balance amount" of that Housing Loan. The net balance amount is, on any day, the unpaid daily balance of that Housing Loan at the end of that day minus the "Offset Amount" for that day. The "Offset Amount" is, on any day, the amount obtained by multiplying the "offset rate" (which is a percentage rate determined by the Seller from time to time (currently 100%)) and the balance of the eligible account at the end of that day.

The Seller undertakes to the Trustee that the Seller will:

- (a) following the exercise by the Trustee of its rights after the exercise of a Perfection of Title Event, promptly withdraw all interest off-set benefits (if any) that would otherwise be available to Mortgagors in respect of those Housing Loans under the terms of any Interest Off-Set Accounts (following notice by the Trustee to the relevant Mortgagors and subject to any notice requirements by which the Seller is bound); and
- (b) pay to the Trustee, on each Determination Date for the Monthly Period just ended, an amount equal to the interest off-set benefits (if any) that were available to Mortgagors in respect of the Housing Loans under the terms of any Interest Off-Set Accounts during the immediately preceding Monthly Period.

On the Closing Date and each Determination Date, if the Seller is not an Eligible Depository, it undertakes to prepay its obligations described in paragraph (b) above for the Monthly Period commencing on the Cut-Off Date or during which that Determination Date falls. Such prepayment will be deposited in the Collections Account and constitute the **Interest Off-Set Reserve**. Alternatively, the Seller may enter into other arrangements in respect of which the Manager has issued a Rating Affirmation Notice. The amount required to be prepaid will be calculated by the Seller based on its

estimate (determined in a commercially reasonable manner) of the interest off-set benefits that will be available to mortgagors in respect of Housing Loans for the relevant Monthly Period. The Interest Off-Set Reserve will be available to be applied by the Trustee in the event the Seller does not meet its obligations described in paragraph (b) above. If the Seller becomes an Eligible Depository; there are at any time no interest off-set accounts related to the Housing Loans which are Assets of the Series Trust or the amount standing to the credit of the Interest Off-Set Reserve exceeds the required prepayment in respect of a particular Monthly Period, the amount standing to the credit of the Interest Off-Set Reserve (or the excess, as applicable) will be paid to the Seller.

6.4.5 Prepayments

A borrower may make repayments in excess of the scheduled instalment amounts for the Housing Loan. The "in advance" amount is the difference between the actual repayments made by the borrower and the scheduled instalment amounts for the Housing Loan.

When a borrower is in advance of their repayments and they do not meet their scheduled repayment, the in advance amount will be reduced by the amount of that scheduled repayment.

6.4.6 Additional Advances

The Seller may agree to advance further funds to a borrower under the terms of a Housing Loan subject to a credit assessment.

6.4.7 Origination of Housing Loans

The Housing Loans in the Mortgage Pool are all originated through the Seller's branch network, call centre, internet site, business development managers and various approved introducers.

6.5 Credit Approval Process

This Section provides details of how the Housing Loans were approved.

6.5.1 Loan Applications

All applicants for a Housing Loan are required to complete an application form which details the financial position of the applicants as well as permitting the Seller to make appropriate enquiries in relation to the employment, income and credit histories of the applicants.

6.5.2 Credit Assessment

All Housing Loan applications are assessed at a centralised Lending Division using the Seller's standard assessment criteria, which requires independent confirmation of the details included in the application such as employment history and income of the applicant. The applicant's credit history is assessed through obtaining a reference from Veda Advantage.

Housing Loans are approved subject to the relevant lending officer's or manager's personal delegation. Lending delegations are assigned to officers, managers and the Credit Committee of the Seller based upon level of training and experience and are regularly reviewed. Applications outside the officer's or manager's delegation or which are of a more complex nature are referred to those with higher delegations.

6.5.3 Valuations

The maximum LVR for housing loans is 95% plus the capitalisation of any mortgage insurance premium. However, the maximum LVR for Housing Loans which may be acquired by the Trustee is 95% determined at the Cut-Off Date. The LVR is based upon the lower of the purchase price and independent valuation.

An independent valuation of security is undertaken for all Housing Loans where the loan amount exceeds 80% of the purchase price of the mortgaged property, or if the Housing Loan is not for the purchase of the mortgaged property and the Housing Loan exceeds 80% of the unimproved property value. However, if the purchase price of mortgage property is greater than \$750,000 and the LVR exceeds 70%, an independent valuation of the security will be undertaken. The valuation inspections are completed by a registered valuer approved by the Seller and are completed in accordance with standards set down by the Australian Institute of Land Valuers and Economists.

6.5.4 **Mortgage Insurance**

All Housing Loans included in the Mortgage Pool are required to be covered by a primary mortgage insurance policy, if the LVR was greater than 80% at the time of issue and the borrower did not take out Loan Repayment Insurance. If the borrower took out Loan Repayment Insurance and the premium was capitalised to the loan, the LVR could increase to 85% without being required to be covered by mortgage insurance. Credit Union Australia does not securitise loans above 80% that are not covered by mortgage insurance. Only once the LVR has fallen below 80% as the loan seasons will Credit Union Australia consider such loans for securitisation. A mortgage pool policy has been put in place to cover those loans not originally covered by a primary mortgage insurance policy (a mortgage pool policy also applies to the loans being transferred from the warehouse which were not originally covered by a primary mortgage insurance policy).

6.6 **Documentation and Settlements**

Approval, confirmation of details, documentation, settlement and registration of securities for the Housing Loans are centrally controlled by the **Lending Division**. Standard documentation is produced by the Lending Division from information provided on the file and input through Credit Union Australia's computer system (CUA changed its core banking system from a system known as **ABACUS** in October 2013 and installed a new core banking system known as **TCS BANCS/NUCLEUS** which has been used thereafter). **TCS BANCS/NUCLEUS** is also used for the servicing of the Housing Loans.

For all Housing Loans the Seller requires, prior to or at settlement and funding, the following:

- (a) a copy of sale contract (where applicable);
- (b) a valuation report (if the LVR is greater than 80% of the purchase price of the mortgaged property, or if the Housing Loan was not for the purchase of the mortgaged property and the Housing Loan exceeds 80% of the unimproved property value);
- (c) the certificate of title (if applicable);
- (d) evidence that suitable houseowner insurance is in place (if the security property includes a house);
- (e) evidence of mortgage insurance (if the LVR is greater than 80%);
- (f) an executed guarantee and indemnity, where applicable;
- (g) an executed transfer (stamped where necessary for settlement) of the relevant land (if applicable);
- (h) an executed, stamped discharge of any existing mortgage(s) (if applicable);
- (i) a disbursement authority signed by the borrower(s);
- (j) the Seller's mortgage documents, signed by the borrower(s); and

(k) the Seller's credit contract signed by the borrower(s).

The Lending division checks the documentation for correctness, effects final title searches and authorises the drawing of settlement cheques. Once the final check searches have been verified, settlement is effected and the relevant loan documentation is stamped and releases of mortgages, transfers of mortgages and any other relevant documents are lodged at the relevant registries for registration.

6.7 Collections

Collection action follows a structured process to protect the interests of the mortgagee and mortgage insurer. Collection action is administered by the Credit Services division of the Seller. The following describes the Seller's current collection procedures which apply to all Housing Loans.

Accounts are assessed and monitored using the number of days in arrears as the prime criteria. Borrowers are contacted by mail if their Housing Loan becomes fourteen days in arrears and again if their Housing Loan becomes 28 days in arrears. At day 17 in arrears, a Credit Services Officer telephones the borrower.

Subsequent action is assessed based on the degree of arrears, the current LVR, the borrowers' financial position and by liaising with the relevant mortgage insurer.

This process could include issuing of "Default Notices" and taking steps to protect and/or sell secured assets (including the maintenance of local government rates and property insurance payments as provided for in the credit contract and mortgage).

Litigation may or may not be initiated and is at the discretion of the Seller. Assessment is based on economic factors, likelihood of increased liability or consequential loss and/or recommendation by the Seller's legal advisers.

6.8 Servicing

6.8.1 Initial Servicer

The initial Servicer of the Housing Loans and related securities is Credit Union Australia.

6.8.2 Servicing to be in accordance with the Servicing Standards

Subject, unless the prior written consent of the Trustee and the Manager is obtained, to the express limitations on servicing (see Section 6.8.4), the Servicer must ensure that the servicing of the Housing Loans and related securities is in accordance with the Servicing Standards.

The Servicing Standards are the standards and practices set out in the Servicing Guidelines or, to the extent not covered by the Servicing Guidelines, the standards and practices of a prudent lender in the business of making retail home loans.

The Servicing Guidelines are the written guidelines, policies and procedures established by the Servicer for servicing its housing loan portfolio, as amended from time to time. The Servicer may amend the Servicing Guidelines from time to time subject to each Rating Agency, the Trustee and the Manager being notified at least one month in advance of any material amendments which relate to the servicing of the Housing Loans and related securities. Any such amendments will take effect on the earlier of the Manager issuing a Rating Affirmation Notice or the date ten Business Day's after the delivery of the amendments to the Manager, the Trustee and each Rating Agency, if during that period the Manager has not established that it is unable to issue a Rating Affirmation Notice in relation to those amendments.

All acts of the Servicer in servicing the Housing Loans are binding on the Trustee. Neither the Trustee nor the Manager is responsible or liable for any act of the Servicer which contravenes the Servicing Standards except to the extent that the contravention was caused by the Trustee's or the Manager's or their respective delegates' fraud, negligence or wilful default.

6.8.3 **Payment of Collections into the Collections Account**

Moneys due by borrowers under the terms of the Housing Loans will be collected by the Servicer.

While the Collections Account is permitted to be maintained with the Servicer (see Section 2.6), the Servicer may retain the Collections until the Transfer Date, when it must deposit them into the Collections Account.

Where the Collections Account is not permitted to be maintained with the Servicer, the Servicer must either:

- (a) pay all Collections in respect of Housing Loans into the Collections Account within two Business Days after receipt (where they are received by the Servicer) or on their due date for payment (when they are payable by Credit Union Australia or the Servicer); or
- (b) deposit and maintain the Servicer Collateral Amount to collateralise the Servicer's obligations, and permit the Servicer, to retain the Collections it receives in respect of a Monthly Period and deposit such Collections into the Collections Account on the next Transfer Date.

The Servicer will retain the interest and other income derived from holding any Collections until it is required to pay them into the Collections Account.

6.8.4 **Express Powers and Limitations on Servicing**

The Series Supplement regulates the following aspects of the servicing of the Housing Loans:

(a) **Interest Rates**

The Servicer must set the interest rate charged on each Housing Loan at the rate which the Servicer charges on similar housing loans not assigned to the Trustee. However, where the Basis Swap has been terminated or its operation has been suspended, the variable rates of interest charged on the Housing Loans must be set in accordance with the requirements explained in Section 9.1.6 until a new basis swap is entered into with a counterparty in respect of which the Manager has given notice to each Rating Agency or another arrangement in respect of which the Manager has issued a Rating Affirmation Notice for the purposes of hedging the interest rate mismatch is put in place.

(b) **Release or Substitution of Securities Generally**

The Servicer may release or substitute any securities relating to a Housing Loan. The Servicer though has agreed that it will only do this in relation to a Housing Loan if:

- (i) at least one mortgage is retained after the release or substitution to secure the Housing Loan;
- (ii) prior to the release or substitution, the LVR for the Housing Loan is reappraised by the Servicer in accordance with the Servicing Standards and based on that reappraisal, the LVR for the Housing Loan after the release or substitution will be no more than the LVR immediately prior to the release or substitution as reappraised by the Servicer in accordance with the foregoing; and

- (iii) the release or substitution will not result in a reduction in the amount that could otherwise be recovered under any applicable Mortgage Insurance Policy.

The Servicer will indemnify the Trustee for any loss the Trustee suffers as a result of the Servicer releasing or substituting any Housing Loan securities in breach of the above conditions. The Servicer's liability to the Trustee in those circumstances cannot exceed the principal amount outstanding in respect of the relevant Housing Loan and any accrued but unraised interest and any outstanding fees in respect of the Housing Loan as at the time a claim is made by the Trustee.

6.8.5 Extension of Maturity of Housing Loans and variation or relaxation of other terms

Subject to the foregoing and the conditions applying to the making of Further Advances (as discussed in Section 10.2.7), the Servicer must not grant any extension of the maturity date of a Housing Loan beyond 30 years from the Closing Date or allow a borrower any reduced monthly payments that would have that result.

Subject to the foregoing and paragraph (b) of Section 6.8.4, the Servicer may vary, extend or relax the time to maturity, the terms of repayment or any other term of a Housing Loan and its related securities in accordance with the Servicing Standards.

6.8.6 Release of Debt

Except as discussed in paragraph (b) of Section 6.8.4, the Servicer must not release a borrower or security provider from any amount owing in respect of a Housing Loan or its related securities unless the amount has been or is to be written-off by the Servicer as uncollectible in accordance with the Servicing Standards.

6.8.7 Waivers, releases and compromises

Subject to the indemnity referred to the last paragraph of Section 6.8.4 and the restrictions referred to in paragraph (b) of Section 6.8.4, 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 Housing Loan or its related securities.

6.8.8 Leases

The Servicer may, in accordance with the Servicing Guidelines, consent to the creation of any subdivision, easement, lease, licence, restrictive covenant or second mortgage in respect of any mortgaged property in connection with a Housing Loan or the transfer, subject to the mortgage in favour of the Seller, of the ownership of the mortgaged property.

6.8.9 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 Housing 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 provision of any code binding on the Servicer or any applicable laws or if ordered to do so by a court, tribunal, authority, ombudsman or other entity whose decisions are binding on the Servicer.

If the order is due to:

- (a) 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 Housing Loan or related security was entered into or a Further Advance was made; or

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

then the Servicer must notify the Trustee of the making of such an order and must compensate the Trustee for its loss. The Servicer's liability to the Trustee in respect of such loss in respect of a Housing Loan cannot exceed the principal amount outstanding in respect of the Housing Loan and any accrued but unraised interest and any outstanding fees in respect of the Housing Loan as at the time a claim is made by the Trustee.

6.8.10 Enforcement

The Servicer may take such action to enforce a Housing Loan and its related securities as it determines should be taken.

In particular, the Servicer is not required to institute, or continue, any litigation in respect of any amount owing under a Housing Loan if there are reasonable grounds for believing, based on advice from its legal advisers, that the Servicer will be unable to enforce the provisions of the Housing Loan under which such amount is owing or the likely proceeds, in light of the associated expenses, do not warrant the litigation.

However, the Servicer must not knowingly take any action, or knowingly fail to take any action, if that action or failure to take action will interfere with the enforcement of any rights under any Assets of the Series Trust, unless such action is in accordance with the Servicing Standards.

6.8.11 Insurance Policies

The Servicer may compromise, compound or settle any claim in respect of any mortgage or property insurance policy which is then an Asset of the Series Trust.

Insurance proceeds received in respect of a Housing Loan must be applied to the account established in the Servicer's records for the Housing Loan up to the principal amount outstanding plus accrued but unraised interest except where such proceeds relate to property insurance and are released in accordance with the Servicing Standards and are paid directly for work being carried out in rebuilding, reinstating or repairing the property to which the proceeds relate.

6.9 Information on the Housing Loans

Credit Union Australia will be the custodian of the Housing Loan Documents and will be subject to a quarterly safe custody audit (see Section 11). The Seller must deliver to the Trustee an electronic listing of information in connection with the Housing Loans and related securities. 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 listing such that the Trustee is unable to lodge and register caveats and transfers upon the occurrence of a Perfection of Title Event (see Section 10.2.11) or a Document Transfer Event (see Section 11).

7. CASH FLOW 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 Coupon 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 7.7.

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. Available funds are then transferred to the Collections Account (if not already credited to the Collections Account) on the Transfer Date, for utilisation by the Trustee on the following Distribution Date.

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

1 September – 30 September (inclusive)	Monthly Period
13 September – 13 October (exclusive)	Coupon Period
9 October	Record Date
10 October	Determination Date
12 October	Transfer Date
13 October	Distribution Date

7.3 Underlying Cash Flows

7.3.1 Collections

The Collections for a Monthly Period are the aggregate of the following amounts (without double counting) in respect of the Housing Loans:

- (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 Housing Loans less the sum of the amount of any credit entries to the accounts established in the Servicer's records for the Housing Loans which relate to any Defaulted Amount on the Housing 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 Housing 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 Housing 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 with respect to Housing Loans repurchased following the making of a Further Advance, the provision of an additional feature or any similar purpose (see Section 10.2.7) or as a result of the discovery of an incorrect Seller representation;
- (d) any amounts received by the Trustee on the Determination Date following the Monthly Period upon the Seller's acceptance of the Clean-Up Offer (see Section 10.2.9);
- (e) any damages or indemnities received by the Trustee in respect of the Monthly Period as a result of:
 - (i) the discovery after the Prescribed Period in relation to a Housing Loan that a representation or warranty of the Seller mentioned in Section 10.2.4 made in respect of that Housing Loan was incorrect when given (see Section 10.2.6);
 - (ii) any release or substitution of any mortgage or related securities (other than as described in Section 6.8.6); or
 - (iii) the Servicer being required under the Credit Union 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 Credit Union Code of Practice or other binding provision, or not having acted as a prudent lender of retail home 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 Closing Date to acquire Housing Loans;
- (i) any mortgage or general insurance proceeds received in relation to the Housing 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 as a result of the sale of Housing Loans from the Trustee to another trust established under the Master Trust Deed;
- (l) any amounts received by the Trustee relating to the interest off-set benefits (if any) that were available to Mortgagors in respect of the Housing Loans under the terms of any Interest Off-Set Accounts during the immediately preceding Monthly Period (see Section 6.4.4); and
- (m) any other amounts received by the Trustee during the period which do not fall within paragraphs (a) to (l) above,

less any amount debited during the Monthly Period to the accounts established in the Servicer's records for the Housing 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 Housing Loans:

- (a) the aggregate of:
 - (i) all debit entries representing interest or other charges that have been charged during the Monthly Period made to the accounts established in the Servicer's records for the Housing Loans;
 - (ii) subject to paragraph (iii), any Mortgagor Break Costs charged in relation to the Housing 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 Housing Loans or in accordance with any mortgage insurance policy in relation to the Housing Loans where such amounts exceed the costs of enforcement of any such mortgage and the interest and principal then outstanding on the Housing Loans in respect of which the amounts are received and represent part or all of the Mortgagor Break Costs charged during a prior Monthly Period on the Housing Loan 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 (in relation to any of the accounts where the original debit entry (or part thereof) was in error);
 - (v) any Mortgagor Break Benefits paid to a mortgagor during the Monthly Period; and
 - (vi) any Mortgagor Break Costs charged to the accounts established in the Servicer's records for the Housing Loans during the Monthly Period, that have not been received by the Servicer during the Monthly Period;
- (b) any Recoveries received by the Servicer in relation to the Housing 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 Housing Loans repurchased following the making of a Further Advance, the provision of an additional feature or any similar purpose (see Section 10.2.7) or as a result of the discovery of an incorrect Seller representation (see Section 10.2.6) where such amounts represent accrued but unraised interest on the Housing 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 Housing 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 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 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;
- (i) any Adjustment Advance (or part thereof) received by the Trustee as a result of the sale of Housing Loans from the Trustee to another trust established under the Master Trust Deed;
- (j) any amounts received by the Trustee relating to the interest off-set benefits (if any) that were available to Mortgagors in respect of the Housing Loans under the terms of any Interest Off-Set Accounts during the immediately preceding Monthly Period or applied by the Trustee from the Interest Offset Reserve to the extent the Trustee has not received any such amount (see Section 6.4.4); and
- (k) any other amounts received by the Trustee during the period and determined by the Manager to be in the nature of income which does not fall within paragraphs (a) to (j) above,

less any amount debited during the Monthly Period to the accounts established in the Servicer's records for the Housing Loans during the Monthly Period representing fees or charges imposed by any government agency, bank accounts debits tax or similar taxes or duty imposed by any government 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.

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 that Monthly Period; and
 - (ii) Finance Charges for that Monthly Period;
- (b) any net amounts receivable by the Trustee under any Hedge Agreement in respect of the Calculation Period 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 that Monthly Period or amounts in the nature of interest otherwise paid by the Servicer or the Manager in respect of Collections held by it;
- (d) all income realised in that 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 that Monthly Period in respect of the Series Trust;
- (f) any other amount received by the Trustee in that Monthly Period (excluding any Collection or any advance pursuant to the Liquidity Facility, any advance pursuant to the Redraw Facility, Cash Deposit, Servicer Collateral Amount or any collateral or prepayment under any Hedge Agreement); and
- (g) any amount to be applied from the Extraordinary Expenses Reserve to meet any Extraordinary Expenses payable as described in Section 7.5.6 on the Distribution Date immediately following the end of that Monthly Period,

but excluding any interest or other income received during that Monthly Period in respect of the Cash Deposit, Servicer Collateral Amount or any collateral or prepayment under any Hedge Agreement.

7.4.2 **Gross Liquidity Shortfall and Excess Revenue Reserve Draw**

If the Investor Revenues for a Monthly Period are insufficient to meet the Total Expenses (see Section 7.4.6) for that Monthly Period (such deficit being a **Gross Liquidity Shortfall**), the Manager must direct the Trustee to withdraw from the Excess Revenue Reserve, on the immediately following Distribution Date, an amount equal to the lesser of:

- (a) the Gross Liquidity Shortfall; and
- (b) the balance of the Excess Revenue Reserve,

(an **Excess Revenue Reserve Draw**). The aggregate of the Excess Revenue Reserve Draw in respect of a Determination Date and the Investor Revenues for the Monthly Period just ended is known as the **Adjusted Investor Revenues**.

To the extent the Excess Revenue Reserve is less than the Excess Revenue Reserve Target Balance, such deficiency may be replenished from Total Investor Revenues in the manner explained in section 7.4.6.

7.4.3 **Net Liquidity Shortfall and Principal Draw**

If the Adjusted Investor Revenues for a Monthly Period are also insufficient to meet the Total Expenses (see Section 7.4.6) for that Monthly Period (such deficit being a **Net Liquidity Shortfall**), the Manager will calculate the lesser of the following (being a **Principal Draw**) on the Determination Date following the end of that Monthly Period:

- (a) the Net Liquidity Shortfall; and
- (b) where the Collections for that Monthly Period exceed the Finance Charges for that Monthly Period, the amount of such excess or, where the Finance Charges for that Monthly Period exceed the Collections for that Monthly Period, zero.

Principal Draws may be reimbursed from Total Investor Revenues in the manner explained in Section 7.4.6.

7.4.4 **Remaining Net Liquidity Shortfall and Liquidity Facility drawing**

If the aggregate of the Adjusted Investor Revenues for a Monthly Period and the Principal Draw for the Determination Date immediately following the end of that Monthly Period is insufficient to meet the Total Expenses (see Section 7.4.6) for that Monthly Period (such deficit being a **Remaining Net Liquidity Shortfall**), the Trustee may be entitled to request or apply an Applied Liquidity Amount

under the Liquidity Facility for an amount equal to the lesser of the Remaining Net Liquidity Shortfall and the amount which is available for drawing under the Liquidity Facility (see Section 9.2).

7.4.5 **Accrued Interest Adjustment and Adjustment Advance**

Each Housing Loan to be acquired from the Seller will have accrued interest from (and including) the previous due date for the payment of interest under the Housing Loan up to (but excluding) the Closing Date. This accrued interest (the **Accrued Interest Adjustment**) is to be paid to the Seller on the first Distribution Date.

Each Housing Loan to be acquired from the relevant Warehouse Trusts will have accrued interest from (and including) the previous due date for the payment of interest under the Housing Loan up to (but excluding) the Closing Date. This accrued interest (less any accrued but unpaid costs and expenses in respect of the Housing Loans during the period up to (but excluding) the Closing Date) is to be paid by the Trustee to the relevant Warehouse Trusts on the Closing Date (the **Adjustment Advance**). The payment of this amount by the Trustee will entitle the Trustee to Collections accrued on the Housing Loans purchased from the relevant Warehouse Trusts in respect of interest during the period up to the Closing Date, up to an amount equivalent to the Adjustment Advance.

7.4.6 **Calculation and Application of Total Investor Revenues**

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

- (a) the Adjusted Investor Revenues for that Monthly Period; and
- (b) the Principal Draw in relation to the Determination Date immediately following the end of that Monthly Period;
- (c) the Applied Liquidity Amount (if any) to be paid or applied under the Liquidity Facility Agreement on the Distribution Date immediately following the end of that Monthly Period; and
- (d) the amount of the Excess Revenue Reserve to be applied as Total Investor Revenues on the Distribution Date immediately following the end of that Monthly Period as described in Sections 7.6(b) and 7.6(c).

On the Distribution Date following the end of the Monthly Period, the Trustee will apply the Total Investor Revenues for the Monthly Period (after deduction and payment on the first Distribution Date of the Accrued Interest Adjustment to the Seller) plus the then available Extraordinary Expenses Reserve (if that Distribution Date is the Termination Payment Date) in the following order of priority:

- (a) first, at the Manager's discretion, up to \$1 to the Income Unitholder;
- (b) second, in payment of the Series Trust Expenses (in the order set out in Section 7.4.7 below);
- (c) third, pari passu and rateably towards:
 - (i) the net amount (if any) payable by the Trustee to the Hedge Providers under each Hedge Agreement for the Calculation Period ending on that Distribution Date (pari passu and rateably amongst them) other than any Swap Costs and any termination payment payable to a Hedge Provider in respect of any Hedge Agreement as a result of a Hedge Provider Default Event occurring in relation to that Hedge Agreement; and

- (ii) Liquidity Facility fees and interest (if any) due on that Distribution Date and any Liquidity Facility fees and interest unpaid from prior Distribution Dates (other than any amounts payable under paragraph (o) below); and
- (iii) Redraw Facility fees and interest (if any) due on that Distribution Date and any Redraw Facility fees and interest remaining unpaid from prior Distribution Dates (other than any amounts payable under paragraph (o) below);
- (d) fourth, in repayment of any Applied Liquidity Amounts outstanding under the Liquidity Facility Agreement which have not previously been repaid;
- (e) fifth, pari passu and rateably towards the Coupon in respect of the Class A Notes due on that Distribution Date plus any Coupon in respect of the Class A Notes remaining unpaid from prior Distribution Dates;
- (f) sixth, pari passu and rateably towards the Coupon in respect of the Class AB Notes due on that Distribution Date plus any Coupon in respect of the Class AB Notes remaining unpaid from prior Distribution Dates;
- (g) seventh, pari passu and rateably towards the Coupon in respect of the Class B Notes due on that Distribution Date plus any Coupon in respect of the Class B Notes remaining unpaid from prior Distribution Dates;
- (h) eighth, pari passu and rateably towards the Coupon in respect of the Class C Notes due on that Distribution Date plus any Coupon in respect of the Class C Notes remaining unpaid from prior Distribution Dates;
- (i) ninth, pari passu and rateably towards the Coupon in respect of the Class D Notes due on that Distribution Date plus any Coupon in respect of the Class D Notes remaining unpaid from prior Distribution Dates;
- (j) tenth, an amount equal to any unreimbursed Principal Draws (see Section 7.4.3) will be allocated towards the Total Principal Collections (see Section 7.5.1) and applied as set out in Section 7.5.2;
- (k) eleventh, an amount equal to the Defaulted Amount in relation to that Monthly Period just ended will be allocated towards Total Principal Collections (see Section 7.5.1) and applied as set out in Section 7.5.2;
- (l) twelfth, an amount equal to the unreimbursed Charge-Offs in respect of the Notes from all prior Distribution Dates, which amount will be allocated to Total Principal Collections (see Section 7.5.1) and applied as set out in Section 7.5.2;
- (m) thirteenth, 70% of the Total Investor Revenues available for application under this paragraph (n), as a deposit to the Excess Revenue Reserve until the balance of the Excess Revenue Reserve equals the Excess Revenue Target Balance;
- (n) fourteenth, to be applied towards the Extraordinary Expenses Reserve to the extent the amount standing to the credit of the Collections Account in respect of the Extraordinary Expenses Reserve is less than the Extraordinary Expenses Reserve Target Balance;
- (o) fifteenth, in payment pari passu and rateably to the Redraw Facility Provider and the Liquidity Facility Provider of any amounts payable under the Redraw Facility and or Liquidity Facility as applicable, and not otherwise payable under sections 7.4.6(c)(ii), 7.4.6(c)(iii), 7.4.6(d) or 7.5.2(b) on that Distribution Date and any such amounts remaining unpaid from prior Distribution Dates;

- (p) sixteenth, an amount equal to any Swap Costs due to the Hedge Provider in respect of the Fixed Rate Swap, to the extent that they remain unreimbursed;
- (q) seventeenth, towards payment to each Hedge Provider, *pari passu* and rateably amongst them, or any other amount payable to it under a Hedge Agreement to the extent not satisfied as described in Section 7.4.6(c)(i); and
- (r) finally, the balance (if any), is paid to the Income Unitholder on that Distribution Date.

The sum of (a) to (i) above represents **Total Expenses** (provided that in the case of amounts referenced in (i) (being Coupon in respect of the Class D Notes) such amounts will only constitute Total Expenses in respect of a relevant period if the Average 60 Days Arrears Percentage in relation to the Determination Date immediately following the end of that Monthly Period is less than 4% and there are no unreimbursed Charge-Offs in respect of the Notes as at that Determination Date).

7.4.7 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, any Taxes payable in relation to the Series Trust;
- (b) second, on a *pari passu* and rateable basis, any indemnities and reimbursements payable by the Trustee pursuant to the Transaction Documents other than the amounts referred to in paragraphs (a) and (c) to (r) of Section 7.4.6 or Section 7.5.2 (each inclusive);
- (c) third, on a *pari passu* and rateable basis, any 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 Housing 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 Cut-Off Date in respect of a Housing 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 incurred 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 or the Series Supplement (other than the amounts referred to in paragraphs (a) and (c) to (r) of Section 7.4.6 or Section 7.5.2, the Trustee's liability for Principal Distributions, the Trustee's liability to repay principal on the Notes, any transportation costs incurred by the Trustee in delivering the Housing Loan Documents to the Seller as described in Section 11.1 and any liability of the Trustee to repay all or part of the Servicer Collateral Amount or any collateral or prepayment lodged with, or paid to, the Trustee under the terms of any Hedge Agreement 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 Servicing Fee (this is described in Section 10.5.3);

- (g) seventh, the Management Fee (this is described in Section 10.4.5);
- (h) eighth, the Custodian Fee (if any) (this is described in Section 11.3); and
- (i) ninth, the fees, costs and expenses incurred by or payable to the Security Trustee in acting as Security Trustee.

The aggregate of (a) to (i) above represent the **Series Trust Expenses**. The Series Trust Expenses are paid in the priority explained in Section 7.4.6.

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 (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 **Total Principal Collections**):

- (a) the Principal Collections for the Monthly Period just ended; and
- (b) the amount to be allocated from Total Investor Revenues to Total Principal Collections on the next Distribution Date (see Section 7.4.6).

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 by the Seller during the immediately preceding Monthly Period just ended which have not been previously reimbursed (or funded from Collections);
- (b) second, in repayment to the Redraw Facility Provider of any Redraw Principal Outstanding until the Redraw Principal Outstanding is reduced to zero;
- (c) third:
 - (i) if on a Distribution Date, the Serial Paydown Conditions have not been satisfied on the immediately preceding Determination Date the remaining Total Principal Collections for that Distribution Date will be applied in the following order:
 - A first, to the Class A Noteholders in repayment of principal in respect of the Class A Notes, *pari passu* and rateably amongst the Class A Notes until the Stated Amount of the Class A Notes is reduced to zero;
 - B second, if the Stated Amount of the Class A Notes is zero, to the Class AB Noteholders in repayment of principal in respect of the Class AB Notes, *pari passu* and rateably amongst the Class AB Notes until the Stated Amount of the Class AB Notes is reduced to zero;

- C third, if the Stated Amount of the Class A Notes and Class AB Notes is zero, to the Class B Noteholders in repayment of principal in respect of 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 fourth, if the Stated Amount of the Class A Notes, the Class AB Notes and the Class B Notes is zero, to the Class C Noteholders in repayment of principal in respect of 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; and
 - E fifth, if the Stated Amount of the Class A Notes, the Class AB Notes, the Class B Notes and the Class C Notes is zero, to the Class D Noteholders in repayment of principal in respect of 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; or
- (ii) if, on a Distribution Date, the Serial Paydown Conditions have been satisfied on the immediately preceding Determination Date the remaining Total Principal Collections for that Distribution Date will be applied *pari passu* and rateably as follows:
- A to the Class A Noteholders, in repayment of principal in respect of the Class A Notes, amongst the Class A Notes until the Stated Amount of the Class A Notes is reduced to zero;
 - B to the Class AB Noteholders, in repayment of principal in respect of the Class AB Notes, amongst the Class AB Notes until the Stated Amount of the Class AB Notes is reduced to zero;
 - C to the Class B Noteholders, in repayment of principal in respect of the Class B Notes, amongst the Class B Notes until the Stated Amount of the Class B Notes is reduced to zero;
 - D to the Class C Noteholders, in repayment of principal in respect of the Class C Notes, amongst the Class C Notes until the Stated Amount of the Class C Notes is reduced to zero;
 - E to the Class D Noteholders, in repayment of principal in respect of the Class D Notes, amongst the Class D Notes until the Stated Amount of the Class D Notes is reduced to zero; and
- (d) finally, the balance (if any) is to be paid to the Capital Unitholders *pari passu* and rateably amongst them in respect of the Capital Units held by them.

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

7.5.3 **Defaulted Amounts**

The Defaulted Amount (if any) for a Monthly Period is the aggregate principal amounts outstanding in respect of Housing Loans which have been written off as uncollectible by the Servicer during the Monthly Period in accordance with the Servicing Standards. The Defaulted Amount is therefore the shortfall remaining between the sale and other realisation proceeds and the balance outstanding in respect of the relevant Housing Loans after payment of any amount due under the relevant Mortgage Insurance Policies.

The Defaulted Amount is satisfied, to the extent possible, out of Total Investor Revenues for that period in the manner explained in Section 7.4.6. If there are insufficient Total Investor Revenues to satisfy all the Defaulted Amount for a Monthly Period, the Charge-Off provisions explained in Section 7.7 will apply.

7.5.4 **No payment in excess of Stated Amounts**

No amount of principal will be repaid to a Noteholder, other than in accordance with the Call Option and under the Security Trust Deed, in excess of the Stated Amounts applicable to the Notes held by that Noteholder.

7.5.5 **Serial Paydown Conditions**

The Serial Paydown Conditions will be satisfied on a Determination Date if:

- (a) there are no unreimbursed Charge-Offs in respect of the Notes as at that Determination Date;
- (b) the Class A Subordination Percentage on that Determination Date is at least double the Class A Subordination Percentage as at the Closing Date;
- (c) the Class AB Subordination Percentage on that Determinate Date is at least double the Class AB Subordination Percentage as at the Closing Date;
- (d) the aggregate principal outstanding on the Housing Loans as at the last day of the preceding Monthly Period, when expressed as a percentage of the aggregate principal outstanding on the Housing Loans at the Closing Date is greater than 10%;
- (e) the Average 60 Day Arrears Percentage in relation to that Determination Date is less than 4%; and
- (f) the Determination Date is at least two years after the Closing Date,

and otherwise the Serial Paydown Conditions are not satisfied.

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

On or by the Closing Date, the Seller must deposit an amount equal to \$150,000 (the **Extraordinary Expenses Reserve Target Balance**) into the Collections Account, which will form part of the Extraordinary Expenses Reserve. To the extent the amount of the Extraordinary Expenses Reserve on a Distribution Date is less than the Extraordinary Expenses Reserve Target Balance, the Trustee will allocate Total Investor Revenues to the extent available to reinstate the Extraordinary Expenses Reserve Target Balance (see Section 7.4.6(n)).

The Extraordinary Expenses 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 on a Distribution Date by forming part of Investor Revenues in relation to the relevant Monthly Period;
- (b) to be applied as Total Investor Revenues on termination of the Series Trust; or
- (c) to be paid into a new or additional Collections Account (if any) (see Section 2.6).

7.6 Excess Revenue Reserve and Excess Revenue Reserve Draw

The Manager will direct the Trustee to apply amounts to be applied as described in Section 7.4.6(m) from Total Investor Revenues on each Distribution Date into the Collections Account or any other bank account held with an Eligible Depository as determined by the Manager (the **Excess Revenue Reserve**). If the Excess Revenue Reserve is held in the Collections Account, the Manager must maintain a separate ledger as part of the Collections Account in respect of the Excess Revenue Reserve recording all increases (in accordance with the foregoing) and all decreases (as described below) to the Excess Revenue Reserve and the then balance of the Excess Revenue Reserve.

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

- (a) to be applied as part of Total Investor Revenues for use as a Excess Revenue Reserve Draw to meet a Gross Liquidity Shortfall as described in Section 7.4.2;
- (b) to be applied as Total Investor Revenues to the extent the balance of the Excess Revenue Reserve exceeds the Excess Revenue Reserve Target Balance on a Distribution Date (after application in accordance with paragraph (a) above on that Distribution Date); and
- (c) to be applied as part of Total Investor Revenues on the Distribution Date occurring on the earlier of:
 - (i) the Maturity Date; and
 - (ii) the date on which the Invested Amount of the Class D Notes has been reduced to zero.

7.7 Charge-Offs

7.7.1 What is meant by a Charge-Off

In the circumstances described in Section 7.7.2, a Defaulted Amount (to the extent not able to be recovered from Total Investor Revenues) will be absorbed by reducing on a *pari passu* and rateable basis the Stated Amount of the Notes sequentially amongst the Classes of Notes commencing from the most junior Class of Notes (the Class D Notes) to the most senior in the manner described in Section 7.7.2. That reduction of a Stated Amount in respect of the Notes is called a **Charge-Off**.

7.7.2 Defaulted Amount Insufficiency

If Total Investor Revenues for a Monthly Period are insufficient to meet the Defaulted Amount of a 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 Defaulted Amount Insufficiency is first charged off 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;

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

7.7.3 Reimbursements of Charge-Offs

Charge-Offs may be reimbursed from Total Investor Revenues in the manner explained in Section 7.4.6.

A reimbursement of a Charge-Off will increase the Stated Amount of the Class A Notes, the Class AB Notes, the Class B Notes, the Class C Notes and the Class D Notes (as the case may be) by the amount allocated from Total Investor Revenues on a Distribution Date in the following order of priority:

- (a) first, to the reduction of the Charge-Offs in respect of the Class A 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 AB 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; and

- (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.

An amount determined by the Manager on a Determination Date to be allocated for reimbursement of a Charge-Off will be allocated to Total Principal Collections to be applied on the following Distribution Date, in the manner described in Section 7.5.2.

7.8 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. Arrangements for notification of pool performance data are explained in Section 4.5.

8. THE MORTGAGE INSURANCE POLICIES

8.1 General

Each Housing Loan is insured by a Mortgage Insurance Policy issued to the Seller by Genworth Financial Mortgage Insurance Pty Ltd ABN 60 106 974 305 (**Genworth**) or QBE Lenders' Mortgage Insurance Ltd ABN 70 000 511 071 (**QBE LMI**) (each, an **Approved Mortgage Insurer**).

Each Housing Loan is insured under one of the following:

- (a) an individual Mortgage Insurance Policy issued by an Approved Mortgage Insurer to Credit Union Australia;
- (b) a pool Mortgage Insurance Policy issued by QBE LMI to Credit Union Australia and the relevant Warehouse Trust (each a **Warehouse Pool Master Policy**); or
- (c) a pool Mortgage Insurance Policy issued by QBE LMI to Credit Union Australia and the Trustee (the **Pool Master Policy**).

With effect from the Cut-Off Date, Credit Union Australia (in the case of the individual Mortgage Insurance Policies) and the relevant Warehouse Trust (in the case of the Warehouse Pool Master Policy) will each assign its entire right, title and interest in those Mortgage Insurance Policies relating to a Housing Loan to the Trustee. The assignment will be in equity (and so the insured on record under the assigned Mortgage Insurance Policies will remain the Seller or, in the case of the Warehouse Pool Master Policy, the relevant Warehouse Trust) unless and until a Perfection of Title Event occurs, in which case the Trustee may perfect its interest in the Mortgage Insurance Policies (for further details, see Section 10.2.11). The insured under the Pool Master Policy is the Trustee.

Under the Series Supplement, 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 Housing Loan.

If the Trustee's interest in a Housing 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 Housing Loan being discovered within the Prescribed Period in relation to that Housing Loan which was not remedied within that period (see Section 10.2.6); or
- (b) a repurchase of a Housing Loan in accordance with the Seller's right on or following the termination of the Series Trust (see Section 10.6.3) or following the payment by the Seller of the Clean-Up Settlement Price (see Section 10.2.9),

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

The terms of the Mortgage Insurance Policies are contained in the Pool Master Policy and the following:

- (a) a Lenders Mortgage Insurance Master Policy issued by QBE LMI Mortgage Insurance Ltd to the Seller and the relevant Warehouse Trust dated 18 February 2004 and a Lenders Mortgage Insurance Master Policy issued by QBE LMI Mortgage Insurance Ltd to the Seller and the relevant Warehouse Trust dated 19 December 2013 (each a Warehouse Pool Master Policy);
- (b) a Lenders Mortgage Insurance Master Policy issued by Genworth to the Seller dated on or about 15 July 1999 (the **Genworth Master Policy No. 1**);

- (c) a Lenders Mortgage Insurance Policy issued by QBE LMI to the Seller dated on or about 5 February 2002 (the **QBE LMI Policy No. 1**);
- (d) a Lenders Mortgage Insurance Master Policy issued by Genworth to the Seller dated on or about 15 January 2008 (the **Genworth Master Policy No. 2**);
- (e) a Lenders Mortgage Insurance Master Policy issued by Genworth to the Seller dated on or about 31 August 2009 (the **Genworth Master Policy No. 3**);
- (f) a Lenders Mortgage Insurance Master Agreement issued by QBE LMI to the Seller dated on or about 28 May 2012 (the **QBE LMI Policy No. 2**); and
- (g) a Lenders Mortgage Provisions Securitised Tranches Policy issued by QBE LMI Mortgage Insurance Ltd to Credit Union Australia and Perpetual Trustee Company Limited dated 26 May 2006 as supplemented by a schedule of mortgages.

QBE LMI (except in the case of the Warehouse Pool Master Policy and the Pool Master Policy) and Genworth have issued an individual insurance policy or certificate (which may have been issued in bulk) in respect of each Housing Loan governed by the terms of the Mortgage Insurance Policy they have issued. QBE LMI has issued one master policy in respect of all the Housing Loans insured under each of the Warehouse Pool Master Policy and the Pool Master Policy.

The remainder of this Section 8 contains a brief description of each Approved Mortgage Insurer and a summary of some of the provisions of the Mortgage Insurance Policies in existence as at the date of this Information Memorandum. The terms of the Mortgage Insurance Policies may vary in the future from those described below.

8.2 Warehouse Pool Master Policy and Pool Master Policy

Each Warehouse Pool Master Policy and Pool Master Policy are provided by QBE LMI in the form of a master policy. Any premium in relation to the Housing Loans under the Warehouse Pool Master Policy has already been paid. The premium in relation to the Housing Loans insured under the Pool Master Policy will be paid by Credit Union Australia on or before the Closing Date.

This Section 8.2 summaries the terms and conditions applicable to the Warehouse Pool Master Policy and the Pool Master Policy. References to "Master Policy" in the balance of this Section 8.2 are references to the Warehouse Pool Master Policy and the Pool Master Policy.

Period of Cover

The Master Policy terminates in respect of the Housing Loan it insures on the earliest of the following:

- (a) repayment in full of the Housing Loan or discharge of the relevant mortgage;
- (b) the expiry date of the Master Policy, however if before 14 days after the expiry date of the Master Policy notice is given of default under the Housing Loan, the Master Policy will continue solely for the purpose of a claim;
- (c) payment of a claim under the Master Policy;
- (d) cancellation of the Master Policy in accordance with the Insurance Contracts Act 1984; or
- (e) either party cancels the Master Policy in any way allowed under the agreement.

Cover for Losses

Subject to the exclusions outlined below, QBE LMI must pay the insured's loss in respect of a Housing Loan being the aggregate of the following amounts owed to the insured:

- (a) the balance of the loan account at the settlement date;
- (b) interest on the balance of the loan account:
 - (i) in the case of one Master Policy, for any period up to the settlement date to a maximum of 18 months after the date of the first default that has not been corrected; and
 - (ii) otherwise, from the settlement date to the date of claim to a maximum of 30 days; and
- (c) costs incurred by the insured on sale of the mortgaged property which include:
 - (i) costs properly incurred for insurance premiums, rates, strata levies and land tax (calculated on a single holding basis) and other statutory charges on the mortgaged property;
 - (ii) reasonable and necessary legal fees and disbursements incurred in enforcing or protecting rights under the insured mortgage up to a maximum amount;
 - (iii) reasonable agent's commission, advertising costs, valuation costs and other costs relating to the sale of the mortgaged property;
 - (iv) reasonable and necessary costs incurred in maintaining (but not restoring) the mortgaged property, provided that amounts exceeding certain thresholds will only be included if incurred by the insured with the prior written consent of QBE LMI;
 - (v) GST incurred on the sale or transfer of the mortgaged property to a third party in satisfaction of a debt owed under the loan account or in respect of any of the above costs; and
 - (vi) any amounts applied with the prior written consent of QBE LMI to discharge a security interest having priority over the insured mortgage.

less the following deductions:

- (d) the gross proceeds of sale of the mortgaged property; and
- (e) the following amounts if not already applied to the credit of the loan account:
 - (i) compensation received for any part of the mortgaged property or any collateral security that has been resumed or compulsorily acquired;
 - (ii) all rents collected and other profits received relating to the mortgaged property or any collateral security;
 - (iii) any sums received under any insurance policy relating to the mortgaged property not applied to restoration of the mortgaged property following damage or destruction;
 - (iv) all amounts recovered from the exercise of the insured's rights relating to any collateral security;
 - (v) any other amount received relating to the insured mortgage or any collateral security including any amounts received from the borrower, any guarantor or prior mortgagee; and

- (vi) 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.

Amounts owed to the insured for the purposes of paragraphs (a) to (c) of the above calculations may not include the following amounts:

- (a) interest charged in advance;
- (b) default rate interest;
- (c) higher rate interest payable because of failure to make prompt payment;
- (d) fines, fees or charges debited to the loan account;
- (e) early repayment fees;
- (f) break funding costs;
- (g) loss connected with any act of terrorism or war;
- (h) loss connected with any nuclear, biological or chemical contamination or weapons, waste or other material;
- (i) loss arising from any funds advanced to a borrower who was not, at the time the proposal was submitted, a citizen, or permanent resident of, Australia or New Zealand, plus any interest, fees or charges on that loss;
- (j) loss arising from a fraudulent act, error, omission, or statement by any person other than the borrower;
- (k) loss to the extent it results from anyone not being able to enforce the insured mortgage, or any collateral security, to recover the whole of the loan account, whether as a result of the operation of the National Consumer Credit Protection legislation or a Credit Code or otherwise;
- (l) any legal fees or disbursements in relation to proceedings not referred to above under the sub-heading "Cover for Losses", or in connection with the National Credit Code;
- (m) costs of restoration following damage to or destruction of the mortgaged property;
- (n) insurance premiums, rates, strata levies and land tax or other statutory charges which were due and payable prior to the initial (or subsequent) loan advance;
- (o) costs of removal, clean up and restoration arising from contamination of the mortgaged property;
- (p) additional funds advanced to the borrower without QBE LMI's written consent;
- (q) amounts paid by the insured in addition to the loan amount to complete improvements;
- (r) cost overruns;
- (s) any civil or criminal penalties imposed on the insured under legislation including the Consumer Credit Code; and
- (t) any loss (including all legal costs and disbursements) of the insured attributable to any breach or non-compliance of the Managed Investments Act and/or a managed investments scheme however arising in relation to the mortgaged property.

Reduction in Claim

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

- (a) the insured making a false or misleading statement, assurance or representation to the borrower or any guarantor;
- (b) the insured consenting to, without the written approval of QBE LMI:
 - (i) the creation of any lease, licence, easement, restriction or other notification affecting the mortgaged property; or
 - (ii) an increase in or acceleration of the payment obligation of the borrower under any security interest having priority over the insured mortgage; or
- (c) in the case of the Warehouse Pool Master Policy, any breach or non-compliance of the Managed Investments Act and/or a managed investment scheme however arising in relation to the mortgaged property;

The amount of a claim will be less the amount of any GST input tax credits or reduced input tax credits that are available to the insured by reason of any taxable supply made to the insured in connection with the exercise of their rights in connection with the mortgaged property and in respect of which the payment is made.

Submission for Payment of Claims

The insured must submit a claim for loss under the Master Policy providing all documents and information reasonably required by QBE LMI within 30 days of:

- (a) the date of completion of the sale of the corresponding mortgaged property; or
- (b) a request by QBE LMI to submit a claim for loss.

8.3 Genworth Master Policy No. 1

Period of Cover

The insured has the benefit of the Genworth Master Policy No. 1 in respect of each Housing Loan insured under it generally from the date the premium is received by Genworth until the earliest of:

- (a) if the Housing Loan and the mortgage securing the Housing Loan is beneficially assigned – midnight on the day immediately preceding such assignment;
- (b) the date the Housing Loan or the mortgage securing the Housing Loan is assigned, transferred or mortgaged to a person other than a person who is or becomes entitled to the benefit of the policy;
- (c) the date the Housing Loan is repaid in full;
- (d) the date the Housing Loan ceases to be secured by the relevant mortgage (other than where the mortgage is discharged by the operation of a compulsory acquisition or sale by a government for public purposes);
- (e) the maturity date as set out in the certificate of insurance issued by Genworth in relation to the Housing Loan or as extended with the consent of Genworth or as varied by a court under the Consumer Credit Code; or

- (f) the date the Genworth Master Policy No. 1 is cancelled in respect of the Housing Loan in accordance with the terms of the policy.

Cover for Losses

If a loss date occurs in respect of a Housing Loan insured under the Genworth Master Policy No. 1, Genworth will pay to the insured the loss in respect of that Housing Loan.

A loss date means:

- (a) if a default occurs under the insured loan and the insured or an approved prior mortgagee sells the mortgaged property, the date on which the sale is completed;
- (b) if a default occurs under the insured loan and the insured or an approved prior mortgagee becomes the absolute owner by foreclosure of the mortgaged property, the date on which this occurs;
- (c) if a default occurs under the insured loan and the mortgagor sells the mortgaged property with the prior approval of the insured and Genworth, the date on which the sale is completed;
- (d) if the mortgaged property is compulsorily acquired or sold by a government for public purposes and there is a default under the Housing Loan (or where the mortgage has been discharged by the operation of the compulsory acquisition or sale and there is a default in repayment of the Housing Loan which would have been a default but for the occurrence of that event), the date being the later of the date of the completion of the acquisition or sale or the date 28 days after the date of the default; or
- (e) where Genworth has agreed or determined to pay a claim under the Genworth Master Policy No. 1, the date specified in that agreement or determination.

A "default" in respect of an insured Housing Loan means any event which triggers the insured's power of sale in relation to the mortgaged property, whether such power of sale becomes exercisable immediately or at the insured's option or upon the expiration of any notice or period of time and whether or not the power of sale only arises if before the expiration of the notice or period of time the default remains unremedied.

The loss payable by Genworth to the insured in respect of an insured loan is the amount outstanding, less the deductions referred to below, in relation to the Housing Loan, in each case calculated as at the loss date.

The amount outstanding under a Housing Loan is the aggregate of the following:

- (a) the loan amount together with any interest, fees or charges (whether capitalised or not) that are outstanding as at the loss date;
- (b) fees and charges paid or incurred by the insured; and
- (c) such other amounts (including fines or penalties) approved by Genworth in its absolute discretion,

which the insured is entitled to recover under the Housing Loan or any mortgage guarantee; less the following deductions:

- (a) where the mortgaged property is sold, the sale price, or where the mortgaged property is compulsorily acquired, the amount of compensation less, in either case, any amount required to discharge any approved prior mortgage;

- (b) where foreclosure action occurs, the value of the insured's interest in the mortgaged property, including the interest of any unapproved prior mortgagee;
- (c) any amount received by the insured under any collateral security;
- (d) any amounts paid to the insured by way of rents, profits or proceeds in relation to the mortgaged property or under any insurance policy relating to the mortgaged property and not applied in restoration or repair;
- (e) any interest whether capitalised or not that exceeds interest at the non-default interest rate payable in relation to the Housing Loan and in addition any interest greater than the interest calculated and accrued at the standard rate under the Consumer Credit Code;
- (f) any fees or charges whether capitalised or not, that are not of a type or which exceed the maximum amounts specified below:
 - (i) premiums for approved general insurance policies, levies and other charges payable to a body corporate under the Australian strata titles system, rates, taxes and other statutory charges;
 - (ii) reasonable and necessary legal and other fees and disbursements of enforcing or protecting the insured's rights under the Housing Loan, up to a maximum of A\$2,000, unless otherwise approved in writing by Genworth;
 - (iii) repair, maintenance and protection of the mortgaged property, up to a maximum amount or proportion of A\$1,000, unless otherwise approved in writing by Genworth;
 - (iv) reasonable costs of the sale of the mortgaged property by the insured up to a maximum amount of A\$1,000 plus selling agent's commission unless otherwise approved in writing by Genworth.

In addition, any fees and charges exceeding those recoverable under the Consumer Credit Code, less any amount that must be accounted for to the borrower or the relevant mortgagor, will be excluded;

- (g) losses arising out of physical damage to the mortgaged property other than:
 - (i) fair wear and tear; or
 - (ii) losses recovered and applied in the restoration or repair of the mortgaged property prior to the loss date or which were recovered under a general insurance policy and applied to reduce the amount outstanding under the Housing Loan;
- (h) any amounts by which a claim may be reduced under the Genworth Master Policy No. 1; and
- (i) any deductible or other amount specified in the Schedule to the Genworth Master Policy No. 1.

Refusal or Reduction in Claim

Genworth may refuse or reduce the amount of a claim with respect to a Housing Loan in certain circumstances, including where:

- (a) the mortgaged property is not insured under a general home owner's insurance policy;
- (b) there is not a Servicer approved by Genworth;

- (c) the mortgage with respect to the Housing Loan has not been duly registered with the Land Titles Office in the relevant Australian jurisdiction;
- (d) the insurer does not comply with the obligation to seek Genworth's consent under certain circumstances;
- (e) the insurer does not comply with certain reporting obligations; or
- (f) the insurer does not lodge a claim within 28 days after the loss date under the Genworth Master Policy No. 1.

Genworth may also cancel the Genworth Master Policy No. 1, in relation to a particular Housing Loan, if the insurer has failed to comply with other obligations under the Genworth Master Policy No. 1.

Exclusions

The Genworth Master Policy No. 1 does not cover any loss arising from:

- (a) any war or warlike activities;
- (b) the use, existence or escape of nuclear weapons material or ionising radiation from or contamination by radioactivity from any nuclear fuel or nuclear waste from the combustion of nuclear fuel;
- (c) the existence or escape of any pollution or environmentally hazardous material;
- (d) the fact that the Housing Loan, any mortgage guarantee or any collateral security is void or unenforceable; or
- (e) any failure of the Housing Loan, mortgage guarantee or collateral security to comply with the requirements of the Consumer Credit Code.

Submission of Claims

A claim for loss in respect of a Housing Loan must be lodged within 28 days after the loss date unless otherwise agreed by Genworth in its absolute discretion.

8.4 QBE LMI Policy No. 1 and QBE LMI Policy No. 2

Period of Cover

The QBE LMI Policy No. 1 and QBE LMI Policy No. 2 (each a **QBE LMI Policy**) each terminates in respect of a Housing Loan insured under its terms on the earliest of the following:

- (a) repayment in full of the Housing Loan;
- (b) in the case of the QBE LMI Policy No. 2, the relevant mortgage is discharged;
- (c) the expiry date of the QBE LMI Policy, however if before 14 days after the expiry date of the QBE LMI Policy notice is given of default under the Housing Loan, the QBE LMI Policy will continue solely for the purpose of a claim;
- (d) payment of a claim under the QBE LMI Policy;
- (e) cancellation of the QBE LMI Policy in accordance with the Insurance Contracts Act 1984; or
- (f) in the case of the QBE LMI Policy No. 2, any party cancels the policy in any way allowed under its terms.

Cover for Losses

Subject to the exclusions outlined below, QBE LMI must pay the insured's loss in respect of a Housing Loan being the aggregate of the following amounts owed to the insured:

- (a) the balance of the loan account at the settlement date;
- (b) interest on the balance of the loan account from the settlement date to the date of claim to a maximum of 30 days or, in the case of the QBE LMI Policy No. 2, for any period up to the settlement date to a maximum of 18 months after the date of the first default that has not been corrected; and
- (c) costs incurred by the insured on sale of the mortgaged property which include:
 - (i) costs properly incurred for insurance premiums, rates, strata levies, land tax (calculated on a single holding basis) and other statutory charges on the mortgaged property;
 - (ii) reasonable and necessary legal fees and disbursements incurred in enforcing or protecting rights under the insured mortgage (in the case of the QBE LMI Policy No. 2, up to \$25,000);
 - (iii) reasonable agent's commission, advertising costs, valuation costs, advertising and, in the case of the QBE LMI Policy No.1, other costs in each case relating to the sale of the mortgaged property;
 - (iv) reasonable and necessary costs incurred in maintaining (but not restoring) the mortgaged property, provided that amounts exceeding the relevant threshold set out in the policy will only be included if incurred by the insured with the prior written consent of QBE LMI;
 - (v) any amounts applied with the prior written consent of QBE LMI to discharge a security interest having priority over the insured mortgage;
 - (vi) GST incurred on the sale or transfer of the mortgaged property to a third party in satisfaction of a debt owed under the loan account or in respect of any of the above costs; and
 - (vii) in the case of the QBE LMI Policy No. 2, any GST the insured is liable to pay on the sale or transfer of the mortgaged property to a third party, in or towards the satisfaction of any debt that the borrower owed (to the extent the insured provides evidence to QBE LMI's satisfaction that it was liable to pay such amount),

less the following deductions:

- (d) the gross proceeds of sale of the mortgaged property;
- (e) 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 input tax credit;
- (f) early repayment fees, in the case of the QBE LMI Policy No. 1;
- (g) break funding costs, in the case of the QBE LMI Policy No. 1; and
- (h) the following amounts if not already applied to the credit of the loan account:

- (i) compensation received for any part of the mortgaged property or any collateral security that has been resumed or compulsorily acquired;
- (ii) all rents collected and other profits received relating to the mortgaged property or any collateral security;
- (iii) any sums received under any insurance policy relating to the mortgaged property not applied to restoration of the mortgaged property following damage or destruction;
- (iv) all amounts recovered from the exercise of the insured's rights relating to any collateral security; and
- (v) any other amount received relating to the insured mortgage or any collateral security including any amounts received from the borrower, any guarantor or prior mortgagee.

Amounts owed to the insured for the purposes of paragraphs (a) to (c) of the above calculations do not include, amongst other things, the following amounts:

- (i) interest charged in advance;
- (j) default rate interest;
- (k) higher rate interest payable because of failure to make payment when due or the relevant credit limit is exceeded;
- (l) fines, fees or charges debited to the loan account;
- (m) costs of restoration following damage to or destruction of the mortgaged property;
- (n) costs of removal, clean up and restoration arising from contamination of the mortgaged property;
- (o) additional funds advanced to the borrower without QBE LMI's written consent other than any loan redraws in accordance with the terms of the QBE LMI Policy;
- (p) amounts paid by the insured in addition to the loan amount to complete improvements;
- (q) cost overruns;
- (r) any civil or criminal penalties imposed on the insured under legislation including the Consumer Credit Code; and
- (s) in the case of the QBE LMI Policy No. 2:
 - (i) insurance premiums, rates, strata levies and land tax or other statutory charges which were due and payable before the date that is the later of the date of the initial loan advance or of any further advance;
 - (ii) loss caused, contributed to, arising out of, or connected with any act of terrorism or war, any nuclear or biological or chemical contamination, pollution or infestation of the mortgaged property;
 - (iii) loss arising from any funds advanced to a borrower who was not a citizen or permanent resident of Australia or New Zealand (plus interest, fees or charges on that loss);

- (iv) loss caused, contributed to, arising out of, or connected with any fraudulent act, error, omission, or statement by the insured, any loan originator or any other person (except the borrower);
- (v) loss arising under an insured mortgage in respect of which any loan originator was not licenced or listed on the relevant loan proposal given to the insurer in connection with the relevant policy; and
- (vi) any loss to the extent it results because the mortgage or any collateral security cannot be enforced.

Reduction in Claim

The amount of a claim under the relevant QBE LMI Policy may be reduced by the amount by which the insured loss is increased due to:

- (a) the insured making a false or misleading statement, assurance or representation to the borrower or any guarantor;
- (b) the insured consenting to, without the written approval of QBE LMI:
 - (i) the creation of any lease, licence, easement, restriction or other notification affecting the mortgaged property; or
 - (ii) an increase in or acceleration of the payment obligation of the borrower under any security interest having priority over the insured mortgage;
- (c) in the case of the QBE LMI Policy No. 2, any failure by the insured or any loan originator to take reasonable care or take or reasonable action (or both) to avoid a loss; or
- (d) in the case of the QBE LMI Policy No. 2, any failure by the insured or any loan originator to comply with prudent lending policies and procedures or any applicable law.

The amount of a claim will be less the amount of any GST input tax credits or reduced input tax credits that are available to the insured by reason of any taxable supply made to the insured in connection with the exercise of their rights in connection with the mortgaged property and in respect of which the payment is made.

Submission for Payment of Claims

The insured must submit a claim for loss under the QBE LMI Policy providing all documents and information reasonably required by QBE LMI within 30 days of:

- (a) the date of completion of the sale of the corresponding mortgaged property; or
- (b) a request by QBE LMI to submit a claim for loss.

8.5 Genworth Master Policy No. 2 and Genworth Master Policy No. 3

Period of Cover

The insured has the benefit of the Genworth Master Policy No. 2 or the Genworth Master Policy No. 3 (as applicable) in respect of each Housing Loan insured under it generally from the date the premium is received by Genworth until the earliest of:

- (a) the date the Housing Loan or the mortgage securing the Housing Loan is assigned, transferred or mortgaged to a person other than a person who is or becomes entitled to the benefit of the policy;

- (b) the date the Housing Loan is repaid in full;
- (c) the date the Housing Loan ceases to be secured by the relevant mortgage (other than where the mortgage is discharged by the operation of a compulsory acquisition or sale by a government for public purposes);
- (d) the expiry date as set out in the certificate of insurance issued by Genworth in relation to the Housing Loan or as extended with the consent of Genworth or as varied by a court under the Consumer Credit Code; or
- (e) the date the Genworth Master Policy No. 2 or Genworth Master Policy No. 3 (as applicable) or individual policy is cancelled in respect of the Housing Loan in accordance with the terms of the policy or the Insurance Contracts Act (Cth) 1984.

Cover for Losses

If a loss date occurs in respect of a Housing Loan insured under the Genworth Master Policy No. 2 or Genworth Master Policy No. 3 (as applicable), Genworth will pay to the insured the loss in respect of that Housing Loan.

A loss date means:

- (a) if a default occurs under the insured loan and the insured or an approved prior mortgagee sells the mortgaged property, the date on which the sale is completed;
- (b) if a default occurs under the insured loan and the insured or an approved prior mortgagee becomes the absolute owner by foreclosure of the mortgaged property, the date on which this occurs;
- (c) if a default occurs under the insured loan and the mortgagor sells the mortgaged property with the prior approval of the insured and Genworth, the date on which the sale is completed;
- (d) if the mortgaged property is compulsorily acquired or sold by a government for public purposes and there is a default under the Housing Loan (or where the mortgage has been discharged by the operation of the compulsory acquisition or sale and there is a default in repayment of the Housing Loan which would have been a default but for the occurrence of that event), the date being the later of the date of the completion of the acquisition or sale or the date 28 days after the date of the default; or
- (e) where Genworth has agreed or determined to purchase the insured loan.

A "default" in respect of an insured Housing Loan means any event which triggers the insured's power of sale in relation to the mortgaged property.

The loss payable by Genworth to the insured in respect of an insured loan is the amount outstanding, less the deductions referred to below, in relation to the Housing Loan, in each case calculated as at the loss date.

The amount outstanding under a Housing Loan is the aggregate of the following:

- (a) the loan amount together with any interest, fees or charges (whether capitalised or not) that are outstanding as at the loss date;
- (b) fees and charges paid or incurred by the insured; and
- (c) certain other amounts,

which the insured is entitled to recover under the Housing Loan or any mortgage guarantee; less the following deductions:

- (a) the following amounts not applied in reduction of the amount outstanding under the loan on the loss date:
 - (i) where the mortgaged property is sold, the sale proceeds, or where the mortgaged property is compulsorily acquired, the amount of compensation less, in either case, any amount required to discharge any approved prior mortgage;
 - (ii) where foreclosure action occurs, the value of the insured's interest in the mortgaged property, including the interest of any unapproved prior mortgagee;
 - (iii) any amount received by the insured under any collateral security;
 - (iv) any amounts paid to the insured by way of rents, profits or proceeds in relation to the mortgaged property or under any insurance policy relating to the mortgaged property and not applied in restoration or repair;
 - (v) any other amount received relating to the insured loan or any collateral security (including from a borrower);
 - (vi) any reduction in the value of the property due to physical damage (other than fair wear and tear) or contamination; and
 - (vii) the amount of any input tax credit to which the insured is entitled; plus
- (b) the following amounts included in the amount outstanding under the loan:
 - (i) interest charged in advance for the period after the loss date;
 - (ii) any interest whether capitalised or not that exceeds interest at the non-default interest rate payable in relation to the Housing Loan and in addition any interest greater than the interest calculated and accrued at the standard rate under the Consumer Credit Code;
 - (iii) rates, taxes and other statutory changes incurred before the commencement date of the policy;
 - (iv) strata levies payable before the commencement date of the policy;
 - (v) fees or penalties (including early repayment fees, funding break fees and deferred establishment fees, except for certain dishonour fees paid by the insured);
 - (vi) costs of repairing physical damage to the property (other than fair wear and tear);
 - (vii) costs of removing contaminants from the property; and
 - (viii) any deductible or other amount specified in the Schedule of Claimable Amounts to the Genworth Master Policy No. 2 or the Genworth Master Policy No. 3 (as applicable).

Reduction in Claim

Genworth may refuse or reduce the amount of a claim with respect to a Housing Loan in certain circumstances, including where:

- (a) there are amounts which represent the extent to which Genworth has been prejudiced as a result of:
 - (i) misrepresentation or breach of the duty of disclosure;
 - (ii) breach of any term of the Genworth Master Policy No. 2;
 - (iii) an insured loan being reopened under Section 70 of the Consumer Credit Code or being varied under Section 72 of the Consumer Credit Code or being varied, other than with Genworth's approval; or
 - (iv) a borrower having a defence, a right of set-off or a counter claim in any proceedings taken by or on behalf of the insured;
- (b) where a collateral security in relation to the insured loan is unenforceable, the amount which could have been recovered from that collateral security if it was enforceable; and
- (c) where a valuer upon whose valuation the insured relied in respect of the insured loan was, negligent or in breach of a duty:
 - (i) if at the time the valuation was provided the valuer was not an approved valuer, the amount of the loss which resulted from the negligence or breach of duty of the valuer (except where valuation was provided prior to the commencement of this policy); or
 - (ii) if at the time the valuation was provided the valuer was an approved valuer, the amount of any reduction of the valuer's liability on account of negligence on the part of the insured.

Genworth may also cancel the Genworth Master Policy No. 2 or the Genworth Master Policy No. 3, in relation to a particular Housing Loan, if the insured has failed to comply with any of its obligations under the Genworth Master Policy No. 2 or the Genworth Master Policy No. 3 (as applicable).

Exclusions

The Genworth Master Policy No. 2 and Genworth Master Policy No. 3 do not cover any loss arising from:

- (a) any further advances to a mortgagor not approved by Genworth;
- (b) any amount paid to discharge a security which has priority over the mortgage other than approved prior mortgages;
- (c) any civil or criminal penalty imposed by legislation;
- (d) any war or warlike activity;
- (e) the use, existence or escape of nuclear weapons material or ionising radiation from or contamination by radioactivity from any nuclear fuel or nuclear waste from the combustion of nuclear fuel;
- (f) the mortgages not being enforceable with their terms;
- (g) contamination of the property covered by the mortgages;
- (h) terrorism or terrorist activities;
- (i) riot or civil commotion;

- (j) termites or other insects or vermin;
- (k) physical damage other than fair wear and tear;
- (l) the failure, malfunction or inadequacy of any computer hardware or software not belonging to Genworth; or
- (m) any amount of fine or penalty the insured becomes liable to due to a failure to disclose or a misstatement regarding entitlements to input tax credits.

Submission of Claims

A claim for loss in respect of a Housing Loan must be lodged within 30 days after the loss date.

8.6 The Mortgage Insurers

8.6.1 Genworth Financial Group

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 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. Genworth Financial, Inc. has ultimate control of the majority (approximately 66% as at 22 May 2014) of the fully paid ordinary shares of Genworth Mortgage Insurance Australia Limited.

Genworth Financial, Inc. (NYSE: GNW) (**Genworth Financial**) is a leading Fortune 500 insurance holding company. Genworth Financial operates through three divisions: U.S. Life Insurance, which includes life insurance, long term care insurance and fixed annuities; Global Mortgage Insurance, containing U.S. Mortgage Insurance and International Mortgage Insurance segments; and the Corporate and Other division, which includes the International Protection and Runoff segments. Genworth Financial, headquartered in Richmond, Virginia, traces its roots back to 1871 and became a public company in 2004.

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

8.6.2 QBE Lenders' Mortgage Insurance Limited (QBE LMI)

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 and in New Zealand since 1988.

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 45 countries around the world, and is one of the top 20 global general insurers and reinsurers as measured by net earned premium.

As of 31 December 2013, the audited financial statements of QBE Lenders' Mortgage Insurance Limited had total assets of A\$2,324 million and shareholder's equity of A\$1,174 million.

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

9. SUPPORT FACILITIES AND SECURITY TRUST DEED

9.1 The Interest Rate Swaps

9.1.1 Interest Rate Mismatch between Housing Loans and Notes

The Trustee may receive interest on the Housing Loans with 2 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 Coupon Rate payable on the Notes and the rate of interest earned on the Housing Loans.

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

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

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

The Fixed Rate Swap and the Basis Swap will each be governed by the terms of a Hedge Agreement entered into by the Manager, the Trustee, the Standby Swap Provider and the Hedge Provider. The initial Hedge Provider under the Fixed Rate Swap and the Basis Swap will be Credit Union Australia.

The Standby Swap Provider under the Hedge Agreement will be NAB who, in certain circumstances (see Section 9.1.4), may also become the Hedge Provider in respect of the Fixed Rate Swap.

9.1.2 The Basis Swap

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

Under the Basis Swap, the Trustee will pay to the Hedge Provider in respect of the relevant Calculation Period the Variable Finance Charges for the Calculation Period.

The **Variable Finance Charges** for a Calculation Period are the aggregate Finance Charges for the Monthly Period immediately preceding the calendar month in which that Calculation Period ends for each Housing Loan charged a variable rate of interest during all or any relevant part of that Monthly Period, excluding those Finance Charges which are:

- (a) expressed to be charges in subparagraph (a)(i) of Section 7.3.2 (other than any interest charges) and net of any reversals of such charges where the original debit entry was made in error; and
- (b) referred to in paragraphs (b), (e), (f), (g) or (h) of Section 7.3.2.

The Hedge Provider will in turn pay to the Trustee in respect of the relevant Calculation Period an amount calculated by reference to BBSW plus a margin based on the principal amount outstanding on the Housing Loans (excluding those being charged a fixed rate) as at the beginning of the relevant Monthly Period. The margin over BBSW payable by the Hedge Provider is the weighted average

margin of the Notes for the relevant Coupon Period plus an amount in respect of the other costs of the Series Trust (the latter being fixed at the time the Basis Swap is entered into).

If the credit ratings of the Hedge Provider are less than the Minimum S&P Collateralised Counterparty Rating and the Minimum Fitch Collateralised Counterparty Rating and if the weighted average of the variable rates charged on the Housing Loans is less than the Threshold Mortgage Rate, the Hedge Provider must prepay its obligations under the Basis Swap to the Trustee on a monthly basis by depositing into an account with an Eligible Depository (separate to the Collections Account) an amount determined by reference to the difference between the current weighted average of the variable rates charged on the Housing Loans and the Threshold Mortgage Rate. To the extent that the aggregate amount of prepayments is in excess of the amount required, the Trustee must pay the excess to the Hedge Provider.

The Servicer may otherwise ensure that the variable rate on the Housing Loans is at least equal to the Threshold Mortgage Rate or enter into such other arrangements, satisfactory to the Manager and in respect of which the Manager has issued a Rating Affirmation Notice.

9.1.3 Fixed Rate Swap

(a) *Purpose*

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 Housing Loans at a fixed rate (other than certain Housing Loans the subject of a Conversion, as described in Section 9.1.7) and the floating Coupon Rate payable on the Notes.

Under the Fixed Rate Swap, the Trustee will pay to the Hedge Provider in respect of the relevant Calculation Period, the Fixed Finance Charges for that Calculation Period. The **Fixed Finance Charges** for a Calculation Period are the aggregate Finance Charges for the Monthly Period immediately preceding the calendar month in which that the Calculation Period ends for each Housing Loan being charged a fixed rate of interest during all or any relevant part of that Monthly Period, excluding those Finance Charges which are:

- (i) expressed to be charges in subparagraph (a)(i) of Section 7.3.2 (other than any interest charges or Mortgagor Break Costs received by the Servicer (whether or not charged during a previous Monthly Period) during the Monthly Period in relation to those Housing Loans net of any reversals made during the Monthly Period in respect of Mortgagor Break Costs debited in error) and net of any reversals of such charges where the original debit entry was made in error;
- (ii) referred to in paragraphs (b), (e), (f) or (h) of Section 7.3.2; and
- (iii) Mortgagor Break Costs and Non-Collection Fees in respect of the Monthly Period to the extent that Mortgagor Break Costs or Non-Collection Fees are not received by the Trustee from the Servicer or payable (in the case of Non-Collection Fees because the value is not greater than zero) during the Monthly Period or to the extent that any particular Mortgagor Break Costs or Non-Collection Fees, as the case may be, have already been paid (or are not payable) to the Hedge Provider under the Fixed Rate Swap as part of the Swap Costs from the Total Investor Revenues (see Section 7.4.6).

The Hedge Provider will in turn pay to the Trustee in respect of the relevant Calculation Period an amount calculated by reference to the bank bill swap rate (determined in accordance with the Hedge Agreement) plus a margin and based on the principal amount outstanding on the fixed rate Housing Loans as at the beginning of the relevant Monthly Period in respect of which the Fixed Finance Charges for that Calculation Period are calculated. The margin over

the bank bill swap rate payable by the Hedge Provider is the weighted average margin of the Notes for the relevant Coupon Period plus an amount in respect of the other costs of the Series Trust (the latter being fixed at the time the Fixed Rate Swap is entered into).

(b) *Collateralisation and replacement obligations of Hedge Provider*

If at any time the standby swap arrangements (see Section 9.1.4) terminate and an S&P Collateralisation Event, Fitch Collateralisation Event, S&P Replacement Event and/or Fitch Replacement Event occurs in relation to the Hedge Provider, it will be required, at its cost, to take certain action as required pursuant to the Hedge Agreement by the time periods stipulated by the Hedge Agreement. Such action may include one or more of the following (depending on the Hedge Provider's rating):

- (i) providing collateral to the Trustee in support of its obligations under the Fixed Rate Swap in accordance with the credit support annexes forming part of the Hedge Agreement;
- (ii) novating all its rights and obligations under the Fixed Rate Swap to a replacement counterparty who holds the relevant ratings required under the Hedge Agreement or procuring another such person guarantees its obligations under the Fixed Rate Swap; or
- (iii) entering into such other arrangements in relation to the Fixed Rate Swap in respect of which the Manager issues a Rating Affirmation Notice.

The complete obligations of the Hedge Provider following such an event are set out in the terms of the Hedge Agreement.

9.1.4 **Standby Swap Provider for Fixed Rate Swap**

In the event of a payment default by Credit Union Australia as the Hedge Provider in respect of the Fixed Rate Swap, the Standby Swap Provider will, following notice of such default, pay the defaulted amount to the Trustee on the due date for such payment, in which case such failure will not give rise to an event of default under the Hedge Agreement. Credit Union Australia under the Fixed Rate Swap is required to reimburse the Standby Swap Provider for that payment. If Credit Union Australia fails to do so or it fails to comply with the collateral arrangements it has entered into with the Standby Swap Provider under the terms of the Hedge Agreement, the rights and obligations of Credit Union Australia as Hedge Provider under the Fixed Rate Swap will be automatically novated to the Standby Swap Provider who from that date (the **Novation Date**) will become the Hedge Provider under the Fixed Rate Swap.

The standby swap arrangements will cease to have effect from the earlier of the Novation Date and the date Credit Union Australia as the Hedge Provider is assigned credit ratings at least equal to the Prescribed Ratings.

If at any time (whether before or after the Novation Date) an S&P Collateralisation Event, Fitch Collateralisation Event, S&P Replacement Event and/or Fitch Replacement Event occurs in relation to the Standby Swap Provider, it will be required, at its cost, to take certain action as required pursuant to the Hedge Agreement by the time periods stipulated by the Hedge Agreement. Such action may include one or more of the following (depending on the Standby Swap Provider's rating):

- (a) providing collateral to the Trustee in support of its obligations under the Fixed Rate Swap in accordance with the credit support annexes forming part of the Hedge Agreement;

- (b) novating all its rights and obligations under the Fixed Rate Swap to a replacement counterparty who holds the relevant ratings required under the Hedge Agreement or procuring another such person guarantees its obligations under the Fixed Rate Swap; or
- (c) entering into such other arrangements in relation to the Fixed Rate Swap in respect of which the Manager issues a Rating Affirmation Notice.

The complete obligations of the Standby Swap Provider following such an event are set out in the terms of the Hedge Agreement.

The Standby Swap Provider receives a fee from the Hedge Provider in respect of the Fixed Rate Swap for its commitment under the standby swap arrangements.

9.1.5 Early Termination

The Hedge Provider or the Trustee may only terminate the Basis Swap and the Fixed Rate Swap if certain events occur including:

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

- (i) due to a change in Tax law the Trustee or the Hedge Provider (as applicable) will or is substantially likely to receive a payment from which an amount is required to be deducted on account of Tax (which may include FATCA).

If the Trustee is not paid an amount owing to it by Credit Union Australia (as the Hedge Provider) under the Hedge Agreement within ten days of its due date for payment this will result in a Perfection of Title Event (see Section 10.2.11).

9.1.6 Termination of Swaps

The Basis Swap terminates on the earlier of:

- (a) the Distribution Date on which one or more Transfer Proposals are accepted in relation to all of the Housing Loans;
- (b) the date the Clean-Up Offer is exercised by the Seller;
- (c) the Call Date;
- (d) the Termination Date for the Series Trust; and
- (e) the Maturity Date.

The Fixed Rate Swap terminates on the earlier of:

- (a) the date that all of the Notes have been redeemed in full;
- (b) the Termination Date for the Series Trust; and
- (c) the Maturity Date.

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

- (a) in the case of the Basis Swap:
 - (i) within three Business Days, enter into a replacement swap on terms and with a counterparty in respect of which the Manager has given prior written notice to each Rating Agency;
 - (ii) ensure that the Servicer complies with its obligations following the termination of the Basis Swap to adjust, if necessary, the rates at which the interest offset benefits are calculated under the Interest Off-Set Accounts and, if applicable, the weighted average of the rates set by the Servicer on the variable rate Housing Loans (see Section 9.1.2); or
 - (iii) within three Business Days, enter into other arrangements in respect of which the Manager issues a Rating Affirmation Notice; and
- (b) in the case of the Fixed Rate Swap, within three Business Days:
 - (i) enter into a replacement swap on terms and with a counterparty in respect of which the Manager has notified each Rating Agency; or
 - (ii) enter into other arrangements in respect of which the Manager issues a Rating Affirmation Notice.

9.1.7 **Restrictions on Conversions**

The Servicer must not, at any time on or after the Novation Date, consent to a borrower converting the rate on its Housing 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. The Servicer may consent to a Conversion at any time prior to the Novation Date where:

- (a) it is required to do so by law, under a code or other arrangement binding on the Seller or Servicer or required by a court or other binding authority;
- (b) following the Conversion, the notional amount of the Fixed Rate Swap does not exceed such percentage as the Seller and the Standby Swap Provider agree (there being no such applicable limit as at the Closing Date); or
- (c) the Manager and the Trustee have entered into some other arrangements in respect of which the Manager issues a Rating Affirmation Notice.

9.2 **The Liquidity Facility**

9.2.1 **Purpose of the Liquidity Facility**

As described in Section 5.4, borrowers may prepay an amount of principal under their Housing Loans and then cease to make scheduled payments under the terms of their Housing Loans. The Servicer does not treat the Housing Loan as being in arrears until such time as the borrower has exceeded the Scheduled Balance. However, this can affect the ability of the Trustee to make timely payments of Coupon to Noteholders. Furthermore, as described in Section 5.5, if borrowers fail to make monthly payments in respect of Housing Loans (other than where a borrower has prepaid principal under its Housing Loan) this may also affect the ability of the Trustee to make timely payments of Coupon to Noteholders.

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

9.2.2 **The Liquidity Facility Provider**

The initial Liquidity Facility Provider will be NAB.

9.2.3 **The Liquidity Facility Limit**

The maximum liability of the Liquidity Facility Provider under the Liquidity Facility is an amount equal to the Liquidity Facility Limit, being an amount equal to the lesser of:

- (a) the greater of an amount equal to:
 - (i) 0.75% of the aggregate of the Invested Amount of the Notes at that time; and
 - (ii) 0.075% of the aggregate of the Invested Amount of the Notes on the Closing Date; and
- (b) the amount (if any) to which the Facility Limit has been reduced at that time by the Manager or the Borrower in accordance with the Liquidity Facility Agreement.

9.2.4 **Utilisation of the Liquidity Facility**

Following the occurrence of a Remaining Net Liquidity Shortfall (see Section 7.4.4), an amount equal to the lesser of:

- (a) the un-utilised portion of the Liquidity Facility Limit; and
- (b) the Remaining Net Liquidity Shortfall,

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

The necessary documentation for drawdowns or applications to be made under the Liquidity Facility must be prepared by the Manager and delivered to the Trustee for execution.

9.2.5 **Interest and fees**

The duration that an Applied Liquidity Amount is outstanding is divided into interest periods. Interest accrues daily on each Applied Liquidity Amount advanced or applied under the Liquidity Facility to meet a Remaining Net Liquidity Shortfall at the BBSW for that interest period plus a margin, calculated on the days elapsed and a year of 365 days. Interest is payable on each Distribution Date, but only to the extent that moneys are available for this purpose in accordance with the Series Supplement (see Section 7.4.6). Any amount of unpaid interest will be capitalised and interest will accrue in accordance with the foregoing on any unpaid interest. If interest amounts due on a 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 to the extent that funds are available for this purpose under the Series Supplement (see Section 7.4.6), until such amounts are paid in full.

A commitment fee accrues daily from the date of the Liquidity Facility Agreement and is calculated on the un-utilised portion of the Liquidity Facility Limit based on the number of days elapsed and a 365 day year. The commitment fee is payable monthly in arrears on each Distribution Date and the termination of the Liquidity Facility, but only to the extent that funds are available for this purpose in accordance with the Series Supplement (see Section 7.4.6). If fees due on a 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 to the extent that funds are available for this purpose under the Series Supplement (see Section 7.4.6), until such amounts are paid in full.

9.2.6 **Repayment of Outstanding Advances**

Each Applied Liquidity Amount outstanding on any Distribution Date is repayable on the following Distribution Date, but only to the extent that there are funds available for this purpose in accordance with the Series Supplement (see Section 7.4.6). If outstanding Applied Liquidity Amounts are not repaid in full on a Distribution Date, any unpaid amounts will be carried forward so that they are payable by the Trustee on each following Distribution Date to the extent that funds are available for this purpose under the Series Supplement (see Section 7.4.6), until such amounts are paid in full.

9.2.7 **Events of Default**

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

- (a) the Trustee fails to pay:
 - (i) subject to paragraph (ii) below, any amount due under the Liquidity Facility relating to increased costs incurred by the Liquidity Facility Provider where funds are available for that purpose in accordance with the Series Supplement; and
 - (ii) any amount due in accordance with the Liquidity Facility Agreement in respect of any advance (including Cash Deposit) or Applied Liquidity Amount, interest or fees, within 10 days of the due date;

- (b) the Trustee breaches its undertaking described in Section 9.2.10;
- (c) a representation or warranty made by the Trustee under the Liquidity Facility Agreement is found to have been incorrect or misleading and that breach has a material adverse effect on the amount of any payments to the Liquidity Facility Provider or the timing of any such payment; or
- (d) an event of default occurs under the Security Trust Deed (see Section 9.4.2) and action is taken to enforce the Security Trust Deed.

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

9.2.8 **Termination**

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

- (a) the last day of January 2046;
- (b) one day after the Notes have been redeemed in full in accordance with the Series Supplement;
- (c) the termination date appointed by the Liquidity Facility Provider if it becomes illegal or impossible for the Liquidity Facility Provider to maintain or give effect to its obligations under the Liquidity Facility Agreement as a result of a change of law or its interpretation;
- (d) the date upon which the Liquidity Facility Limit is reduced to zero (see Section 9.2.3);
- (e) the date on which the Liquidity Facility Provider declares the Liquidity Facility terminated following an event of default under the Liquidity Facility; and
- (f) the date on which the Liquidity Facility Provider novates all its rights and obligations under the Liquidity Facility Agreement to a substitute Liquidity Facility Provider in accordance with the Liquidity Facility Agreement.

9.2.9 **Cash Deposit**

If at any time the Liquidity Facility Provider does not have at least:

- (a) in the case of S&P:
 - (i) a short term credit rating of no lower than A-2, together with a long term credit rating of no lower than BBB by S&P; or,
 - (ii) a long term credit rating of no lower than BBB+ by S&P (if the Liquidity Facility Provider does not have a short term credit rating from S&P); or
 - (iii) a short term credit rating of no lower than A-2 by S&P (if the Liquidity Facility Provider does not have any long term rating from S&P); and
- (b) a short term credit rating of no lower than F1 by Fitch and a long term credit rating of no lower than A by Fitch or, if the relevant entity does not have a short term credit rating by Fitch, a long term credit rating of A by Fitch,

(or such other credit ratings as may be agreed to in writing between the Manager and the Liquidity Facility Provider, provided that the Manager has issued a Rating Affirmation Notice and notified the Trustee) and the Liquidity Facility Provider has not, at its own cost, found a replacement Liquidity Facility Provider with credit ratings no lower than those credit ratings by S&P and Fitch, the Liquidity Facility Provider will deposit into an account held by the Trustee an amount equal to the un-utilised portion of the Liquidity Facility Limit at such time (the **Cash Deposit**). The account in which the Cash Deposit is held must be with a financial institution with ratings no lower than those referred to above from S&P and Fitch. Thereafter, if the Manager determines that a Remaining Net Liquidity Shortfall has occurred, the amount of such shortfall must be satisfied from the amount deposited in that account. On the termination of the Liquidity Facility, or if the Liquidity Facility Provider obtains ratings no lower than those referred to above from S&P and Fitch, the un-utilised portion of the Cash Deposit must be repaid to the Liquidity Facility Provider and (except in the case of the termination of the Liquidity Facility) any Remaining Net Liquidity Shortfalls occurring thereafter will be satisfied by the Liquidity Facility Provider meeting a direct claim under the Liquidity Facility.

Interest on any Cash Deposit will be paid to the Liquidity Facility Provider.

9.2.10 **Trustee Undertaking**

The Trustee and the Trust Manager have each undertaken to the Liquidity Facility Provider not to, amongst other things, consent to amend or revoke the provisions of any Transaction Document in a manner which would:

- (a) change:
 - (i) the basis on which any advance under the Liquidity Facility or Applied Liquidity Amount is calculated; or
 - (ii) the entitlement of the Trustee to request any such advance; or
 - (iii) the basis of calculation or order of application of any amount to be paid or applied under the Master Trust Deed, the Series Supplement or the Security Trust Deed; or
- (b) otherwise be materially prejudicial to the rights of the Liquidity Facility Provider under the Transaction Documents,

without the prior written consent of the Liquidity Facility Provider.

9.3 **The Redraw Facility**

9.3.1 **Purpose of the Redraw Facility**

As described in Section 10.2.7 the Seller may, in its discretion and subject to its credit review process, provide Redraws to a mortgagor who has prepaid the principal amount outstanding under its Housing Loan ahead of its Scheduled Balance. The Redraw Facility is made available to the Trustee by the Redraw Facility Provider to help fund the reimbursement of Redraws made by the Seller where the Seller has not been reimbursed in respect of those Redraws from Collections.

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 not less than 60 days prior to the scheduled termination of the Redraw Facility. The Redraw Facility Provider also has the ability to terminate the Redraw Facility on any date, at its discretion, by notice to the Trustee and the Manager.

9.3.2 **Redraw Facility Provider**

The initial Redraw Facility Provider will be Credit Union Australia.

9.3.3 **The Redraw Facility Limit**

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

- (a) 0.45% of the aggregate Invested Amount of the Notes at that time or such other amount determined by the Manager in accordance with the Redraw Facility Agreement; and
- (b) the amount (if any) to which the Redraw Facility Limit has been reduced at that time by the Manager in accordance with the Redraw Facility Agreement (one of the requirements for such a reduction is that the Manager has given prior written notice to the Rating Agency in relation to the reduction),

To the extent that the Redraw Facility is fully utilised and Total Principal Collections for a Monthly Period are insufficient to reimburse Redraws made by the Seller during that Monthly Period, the Seller will be funding Redraws on an interest free basis.

9.3.4 **Utilisation of the Redraw Facility**

The Redraw Facility Provider may from time to time provide Redraws to mortgagors from its own funds. Where the Redraw Facility Provider does so, each such Redraw:

- (a) will form part of the Assets of the Series Trust; and
- (b) to the extent the Redraw Facility is available to be drawn, will be treated as an advance by the Redraw Facility Provider to the Trustee under the Redraw Facility Agreement.

Redraws may also be provided to mortgagors by applying Collections. Any such Redraws are not advances under the Redraw Facility Agreement. The Manager must record in relation to each Redraw provided in respect of a Housing Loan which is an Asset of the Series Trust whenever it is provided from Collections or as an advance under the Redraw Facility Agreement.

9.3.5 **Interest and fees**

The duration of the Redraw Facility is divided into successive interest periods. Interest accrues daily on the principal outstanding under the Redraw Facility at the Cash Rate for that interest period plus a margin, calculated on days elapsed and a year of 365 days. Interest is payable (as there are funds available for this purpose) on each Distribution Date in accordance with the Series Supplement (see Section 7.4.6). Any amount of unpaid interest will be capitalised and interest will accrue in accordance with the foregoing on any unpaid interest.

A commitment fee accrues daily from the Closing Date on the un-utilised portion of the Redraw Facility Limit, based on the number of days elapsed and a 365 day year. The commitment fee is payable monthly in arrears on each Distribution Date in accordance with the Series Supplement.

9.3.6 **Repayment of Drawings**

The principal outstanding under the Redraw Facility is repayable on each Distribution Date in accordance with the Series Supplement (as described in Section 7.5.2). It is not an event of default 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 to the extent that funds are available for this purpose under the Series Supplement (see Section 7.5.2), until such amounts are paid in full.

On the Distribution Date immediately following the termination of the Redraw Facility as described in Section 9.3.8 below, the Trustee must repay the principal outstanding under the Redraw Facility in full,

together with all other amounts payable to the Redraw Facility Provider to the extent of funds available in accordance with the 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.

9.3.7 **Events of Default**

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

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

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

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

9.3.8 **Termination**

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

- (a) one 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 9.3.3); and
- (d) 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.

9.3.9 **Trustee Undertaking**

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

9.4 The Security Trust Deed

9.4.1 Security

Under the Security Trust Deed, the Trustee 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 Hedge Providers, the Liquidity Facility Provider, the Redraw Facility Provider, the Servicer in respect of the Servicer Collateral Amount (if any), the Seller in respect of the Accrued Interest Adjustment and the Manager (the **Secured Creditors**) and the Security Trustee. The Security Trustee holds the benefit of the Security and certain covenants of the Trustee on trust for those persons who are Secured Creditors at the time the Security Trustee distributes any of the proceeds of the enforcement of the Security (see Section 9.4.4).

9.4.2 Events of Default

It is an event of default under the Security Trust Deed if:

- (a)
 - (i) the Trustee retires or is removed as trustee of the Series Trust and is not replaced within 60 days and the Manager fails within a further 20 days to convene a meeting of Investors to appoint a new Trustee;
 - (ii) the Security Trustee has actual notice or is notified by the Trustee or the Manager that the Trustee is not entitled fully to exercise its right of indemnity against the Assets of the Series Trust to satisfy any liability to a Secured Creditor and the circumstances are not rectified to the reasonable satisfaction of the Security Trustee within 14 days of the Security Trustee requiring the Trustee in writing to rectify them; or
 - (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 Trustee in its capacity as trustee of the Series Trust;
- (c) distress or execution is levied or a judgment, order or a Security Interest is enforced, or becomes enforceable against any of the Secured Property relating to the Series Trust for an amount exceeding \$1,000,000 (but does not include any action taken by the Servicer in respect of a Security Interest or any of the Secured Property in accordance with the Transaction Documents) where, in each case, such event will have an Adverse Payment Effect;
- (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 Security Trust Deed (other than by an act or omission of the Security Trustee), where such an event will have an Adverse Payment Effect;
- (e) without the prior written consent of the Security Trustee the Trustee 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 Trust Deed, the Series Supplement or the Security Trust Deed;

- (f) any Transaction Document in relation to the Series Trust is or becomes wholly or partly void, voidable or unenforceable, where such event will have an Adverse Payment Effect; or
- (g) any Senior Secured Moneys are not paid within ten days of when due.

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 any of the paragraphs (other than paragraph (e) or (f) above); or
- (b) over the Non-PPSA Secured Property affected if the Event of Default is the one described in paragraph (e) or (f) above.

9.4.3 **Enforcement**

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

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

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

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

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

manner whatsoever if the Voting Secured Creditors exercise, or do not exercise, the rights given to them as described in the sentence preceding. Except in the foregoing situation, the powers, rights and remedies (including the power to enforce the Security or to appoint a receiver to any of the 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 Voting Secured Creditors have passed an extraordinary resolution directing it to take such action or in the opinion of the Security Trustee the delay required to obtain the consent of the Voting Secured Creditors would be prejudicial to the interests of the Voting Secured Creditors.

The Security Trustee is entitled, on such terms and conditions it deems expedient, without the consent of the Secured Creditors, to agree to any waiver or authorisation of any breach or proposed breach of the Transaction Documents (including the Security Trust 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 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 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 or the Security Trust Deed, having actual knowledge, actual awareness or actual notice of that thing, or grounds or reason to believe that thing. Notice, knowledge or awareness of an event of default means notice, knowledge or awareness of the occurrence of the events or circumstances constituting an event of default.

9.4.4 **Priorities under the Security Trust 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 Security Trust Deed to indemnify the Security Trustee, the Manager, any receiver, attorney or other person appointed under the Security Trust Deed against all loss, liability and reasonable expenses incurred by that person in performing any of their duties or exercising any of their powers under the Security Trust Deed (except the receiver's remuneration) and payment of the Trustee's lien over and right of indemnification from the Secured Property;
- (b) second, in payment *pari passu* and rateably of any fees due to the Security Trustee and the receiver's remuneration (if any);
- (c) third, 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 Security Trust Deed;
- (d) fourth, in payment of other security interests over the Secured Property of which the Security Trustee is aware have priority over the Security (other than the Trustee's lien over and right of indemnification from, the Secured Property), in the order of their priority;
- (e) fifth, in payment to the Seller of any unpaid Accrued Interest Adjustment;

- (f) sixth, in payment *pari passu* and rateably:
- (i) to the Redraw Facility Provider of any Secured Moneys owing to the Redraw Facility Provider under the Redraw Facility Agreement constituting Redraw Facility fees and interest and Redraw Principal Outstanding;
 - (ii) to each Hedge Provider of any Secured Moneys owing to that Hedge Provider under the relevant Hedge Agreement other than any termination payment payable to a Hedge Provider as a result of a Hedge Provider Default Event occurring in relation to that Hedge Agreement;
 - (iii) to the Liquidity Facility Provider of any Secured Moneys owing to the Liquidity Facility Provider under the Liquidity Facility Agreement constituting Liquidity Facility fees and interest and Applied Liquidity Amounts outstanding under the Liquidity Facility Agreement);
 - (iv) to the Seller the amount of all Redraws made by the Seller which have not been reimbursed by the Trustee;
 - (v) to the Servicer of the amount of any other Secured Moneys owing to the Servicer; and
 - (vi) to the Manager of any other amounts owing to the Manager;
- (g) seventh, in payment to the Class A Noteholders firstly of accrued but unpaid interest on the Class A Notes (to be distributed *pari passu* and rateably amongst the Class A Notes) and secondly in reduction of the Stated Amount of the Class A Notes and in reimbursement of Charge-Offs in relation to the Class A Notes (to be distributed *pari passu* and rateably amongst the Class A Notes);
- (h) eighth, in payment to the Class AB Noteholders firstly of accrued but unpaid interest on the Class AB Notes (to be distributed *pari passu* and rateably amongst the Class AB Notes) and secondly in reduction of the Stated Amount of the Class AB Notes and in reimbursement of any unreimbursed Charge-Offs in relation to the Class AB Notes (to be distributed *pari passu* and rateably amongst the Class AB Notes);
- (i) ninth, in payment to the Class B Noteholders firstly of accrued but unpaid interest on the Class B Notes (to be distributed *pari passu* and rateably amongst the Class B Notes) and secondly in reduction of the Stated Amount of the Class B Notes and in reimbursement of any unreimbursed Charge-Offs in relation to the Class B Notes (to be distributed *pari passu* and rateably amongst the Class B Notes);
- (j) tenth, in payment to the Class C Noteholders firstly of accrued but unpaid interest on the Class C Notes (to be distributed *pari passu* and rateably amongst the Class C Notes) and secondly in reduction of the Stated Amount of the Class C Notes and in reimbursement of any unreimbursed Charge-Offs in relation to the Class C Notes (to be distributed *pari passu* and rateably amongst the Class C Notes);
- (k) eleventh, in payment to the Class D Noteholders firstly of accrued but unpaid interest on the Class D Notes (to be distributed *pari passu* and rateably amongst the Class D Notes) and secondly in reduction of the Stated Amount of the Class D Notes and in reimbursement of any unreimbursed Charge-Offs in relation to the Class D Notes (to be distributed *pari passu* and rateably amongst the Class D Notes);

- (l) twelfth, in payment *pari passu* and rateably to the Redraw Facility Provider and the Liquidity Facility Provider of any other amounts payable in accordance with the Redraw Facility Agreement or the Liquidity Facility Agreement (as applicable);
- (m) thirteenth, to each Hedge Provider in respect of which a Hedge Provider Default Event is subsisting, *pari passu* and rateably between them, any Secured Moneys owing to that Hedge Provider under or in relation to any Hedge Agreement;
- (n) fourteenth, in payment *pari passu* and rateably to each Secured Creditor any remaining amounts owing to that Secured Creditor which are secured under the Security Trust Deed;
- (o) fifteenth, in payment of subsequent security interests over the Secured Property of which the Security Trustee is aware in the order of their priority; and
- (p) finally, in payment of the surplus to the Trustee to be distributed in accordance with the terms of the Master Trust Deed and the Series Supplement.

9.4.5 Repayment of Collateral

Any Secured Property provided to the Trustee:

- (a) As collateral by the Liquidity Facility Provider and any amount standing to the credit of an account into which such collateral is deposited will not be available for distribution in accordance with Section 9.4.4. Any such collateral or amount (as the case may be) shall be returned to the Liquidity Facility Provider except to the extent that the relevant Liquidity Facility Agreement requires it to be applied to satisfy any obligation owed to the Trustee by the Liquidity Facility Provider;
- (b) as collateral by a Hedge Provider and any amount standing to the credit of an account into which such collateral is deposited will not be available for distribution in accordance with Section 9.4.4. Any such collateral or amount (as the case may be) shall (subject to the operation of any netting provisions in the relevant Hedge Agreement) be returned to the relevant Hedge Provider except to the extent that the relevant Hedge Agreement requires it to be applied to satisfy any obligation owed to the Trustee by the Hedge Provider; and
- (c) 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 9.4.4. 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 9.4.4 the Secured Moneys will be calculated after any distribution as described in this Section 9.4.5.

9.4.6 Amendments to the Security Trust Deed

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

- (a) in the opinion of the Security Trustee (or a barrister or solicitor instructed by the Security Trustee) is necessary or expedient to comply with any statute or regulation or with the requirements of any governmental agency;
- (b) in the opinion of the Security Trustee is 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 any amendment to any statute or regulation or altered requirements of any governmental agency or any decision of any court (including an alteration which in the opinion of the Security Trustee is appropriate 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); or
- (d) in the opinion of the Security Trustee and the Trustee is otherwise desirable for any reason.

However, where an amendment referred to in paragraph (d) 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).

The Security Trustee is obliged to concur in and to effect any modifications to provisions of the Security Trust Deed requested by the Trustee or the Manager in certain circumstances, including to accommodate the appointment of a new Servicer, new Hedge Provider or new Manager, to take account of changes in the ratings criteria of the Rating Agencies where, absent such modifications, the Manager is reasonably satisfied that the rating assigned by the Rating Agencies to the Notes would be subject to a downgrade, qualification or withdrawal (even where such changes are, or may be, prejudicial to Noteholders) and to ensure compliance by Credit Union Australia, the Manager and the Series Trust with, or ensure that such parties and the Series Trust, may benefit from, any existing, new or amended legislation, regulation, directive, prudential standard or prudential guidance note of any regulatory body (including APRA) relating to securitisation provided that the Manager has certified to the Security Trustee that such modifications are required in order to comply with or benefit from such legislation, regulation, directive, prudential standard or prudential guidance note, as the case may be. However, the Security Trustee will not be obliged to concur in and effect any modifications to any provision of the Security Trust Deed in accordance with the foregoing, if to do so would (i) impose additional obligations on the Security Trustee which are not provided for or contemplated by the Transaction Documents; (ii) adversely affect the Security Trustee's rights under the Transaction Documents or (iii) result in the Security Trustee being in breach of any applicable law.

9.4.7 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 Trustee (such rate may include a component that represents or is referable to a goods and services tax). In the event of any increase to such fees, the Manager must provide written notice of the change to the Rating Agencies.

9.4.8 Limitations on Security Trustee's and Trustee' Liability

The Security Trustee's liability under the 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 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, negligence or wilful default on the part of the Security Trustee or its officers, employees or agents or any other person whose acts or omissions the Security Trustee is liable for under the Transaction Documents.

The Trustee's liability under the 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 Trustee is actually indemnified for the liability,

except in the case 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.

9.4.9 **Limitation of Responsibility and Liability of the Security Trustee**

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

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

9.4.10 **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) an Extraordinary Resolution requiring its retirement is passed at a meeting of Voting Secured Creditors;
- (e) 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 Security Trust Deed in respect of the Security Trust; or
- (f) 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 Security Trust Deed or effective control of the Security Trustee alters from the position as at the date of the 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 convene a meeting of Voting Secured Creditors to appoint any person nominated by any of them to act as Security Trustee at which Voting Secured Creditors, holding or representing between them voting entitlements comprising in aggregate a number of votes which is not less than 75% of the aggregate number of votes comprised in the total voting entitlements at that time).

9.4.11 Voluntary Retirement of the Security Trustee

The Security Trustee may only voluntarily retire if it gives three months' notice in writing to the Trustee, the Manager and each Rating Agency (or such lesser time as the Manager, the Trustee and the Security Trustee agree).

If the Security Trustee does not appoint a substitute (in respect of which the Manager issues a Rating Affirmation Notice and whose appointment is approved by the Manager) at least one 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 Voting Secured Creditors to appoint any person nominated by any of them to act as Security Trustee at which Voting Secured Creditors, holding or representing between them voting entitlements comprising in aggregate a number of votes which is not less than 75% of the aggregate number of votes comprised in the total voting entitlements at that time).

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 Series Trust is the fifteenth series trust established under the Master Trust Deed.

The beneficial ownership of the Series Trust is divided into two classes of units, 10 Capital Units and one Income Unit.

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

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

- (a) acquiring (and disposing of) Housing 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,

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 CUA Trust

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

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

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

The Trustee must not (and the Manager must not direct the Trustee to) dispose of or create any security interest in a collateral security which secures a Housing Loan and an Other Loan unless the relevant transferee or holder of the security interest is first notified of the interest of the CUA Trust in that collateral security. If the Trustee has breached (or the Seller reasonably believes that the Trustee will

breach) this restriction, it will be entitled to lodge caveats to protect its interests in the relevant collateral securities.

10.1.3 **Transfer of Housing 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 in accordance with the Master Trust Deed;
- (b) the Transfer Amount in respect of that Transfer Proposal; and
- (c) a direction from the Manager to accept that Transfer Proposal,

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

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

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

10.2 **Assignment of Housing Loans**

10.2.1 **Assignment**

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

- (a) the Housing Loans;
- (b) all Other Loans in existence from time to time in relation to the Housing Loans (to be held by the Trustee as trustee of the CUA Trust as described in Section 10.1.2);
- (c) all mortgages in existence from time to time in relation to the Housing Loans;
- (d) all collateral securities in existence from time to time in relation to the Housing Loans;
- (e) all insurance policies in respect of land subject to such a mortgage or collateral security;
- (f) the Mortgage Insurance Policies (other than the Pool Master Policy);
- (g) all moneys owing at any time thereafter in connection with the Housing Loans; and
- (h) the documents relating to the above, including the original or duplicates of the relevant loan agreements, mortgages, collateral securities, insurance policies and the certificate of title

(where existing) in relation to the land secured by the mortgages (the **Housing Loan Documents**).

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

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

Some of the Seller's security documentation relating to the Housing 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 Housing 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 Housing Loans. Any other securities which by the terms of their "all moneys" Sections secure the Housing Loans but were not taken for that purpose are (as are the corresponding insurance policies) held by the Trustee as trustee of the CUA Trust (see Section 10.1.2) and are not held for the benefit of the Noteholders, and the expressions "Housing Loan Rights" and "Housing Loan Documents" should be construed accordingly.

If the Seller enforces a mortgage relating to a Housing 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 Seller will hold custody of the Housing Loan Documents from the Closing Date. The Seller may delegate this obligation to a Custodial Delegate (see Section 11).

The Series Trust will assume the risk of losses with respect to the Housing Loans acquired by the Trustee arising from any default by a mortgagor. If cash flows relating to a Housing Loan are rescheduled or re-negotiated, the Series Trust 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 Housing 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 Housing Loan Documents unless a Perfection of Title Event under the Series Supplement occurs (see Section 10.2.11).

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

10.2.3 **Consideration Payable to the Seller and the relevant Warehouse Trust**

On the Closing Date the Trustee will, in consideration of the assignment of the Housing Loans and related securities from the Seller pay to the Seller the total principal amount outstanding (as recorded on the Servicer's database) in respect of the Housing Loans assigned to it by the Seller calculated as at the Cut-Off Date. On the Closing Date the Trustee will, in consideration of the assignment of the Housing Loans and related securities from a Warehouse Trust pay to the relevant Warehouse Trust, the total principal amount outstanding (as recorded on the Servicer's database) in respect of the Housing Loans acquired from the Warehouse Trust calculated as at the Cut-Off Date. The Trustee will also pay to the relevant Warehouse Trust an Adjustment Advance as described in Section 7.4.5.

To the extent that the amount subscribed by the initial Noteholders exceeds the amounts referred to in the above paragraph, 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 Housing Loans

The Trustee will have the benefit of representations and warranties made by the Seller in relation to the Housing Loans acquired from the relevant Warehouse Trust when those Housing Loans were assigned by the Seller to the relevant Warehouse Trust as at the cut-off date from which the assignment of those Housing Loans to the relevant Warehouse Trust was effective (in relation to these Housing Loans no fresh representations and warranties are given by either the Seller or the trustee of the relevant Warehouse Trust).

Under the Series Supplement, the Seller makes (as at the Cut-Off Date) representations and warranties in relation to any Housing Loans and related securities being assigned by the Seller to the Trustee.

Those representations and warranties are summarised as follows:

- (a) at the time the Seller entered into the mortgages relating to the Housing Loans, those mortgages complied in all material respects with applicable laws;
- (b) at the time the Seller entered into the Housing Loans, it did so in good faith;
- (c) at the time the Seller entered into the Housing Loans, the Housing Loans were originated in the ordinary course of the Seller's business;
- (d) at the time the Seller entered into the Housing 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 and, 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 Housing 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 Housing Loan plus such extra amount determined in accordance with the Servicing Guidelines;
- (f) at the time the relevant Housing Loans were approved, the Seller had received no notice of the insolvency or bankruptcy of the borrowers or any guarantors or Trustees 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 Housing Loans and the related securities and no prior ranking security interest exists in relation to its interest in the Housing Loans and related securities (other than any Warehouse Pool Master Policy) and, in respect of the insurance policies, is the sole legal and beneficial owner of its right, title and interest in such insurance policies);
- (h) each of the relevant Housing 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 Housing 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 Housing Loans;
- (k) other than the Housing 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 Housing Loans which would qualify or vary the terms of the Housing Loans;
- (l) 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 Housing Loan as at the relevant cut-off date exceeds 95%;
- (n) the Housing Loans (other than the Housing Loans acquired from the relevant Warehouse Trust) comply with the Eligibility Criteria (see Section 6.3);
- (o) except in relation to fixed rate Housing 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 Housing Loans, and a change in interest rate may be set at the sole discretion of the Servicer;
- (p) the Housing Loans is insured as at the relevant closing date under the terms of a Mortgage Insurance Policy;
- (q) the Seller is lawfully entitled to sell the Housing 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;
- (r) the provisions of all legislation (if any) relating to the sale of the Housing Loans and related securities have been complied with;
- (s) the sale of the Housing Loans and related securities will not constitute a transaction at an undervalue, a fraudulent conveyance or a voidable preference under any insolvency laws;
- (t) the sale of the Housing 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;
- (u) there are no Linked Accounts in relation to any Housing Loan other than any Interest Off-Set Account relating to the Housing Loan; and
- (v) the terms of the loan agreements relating to the Housing Loans require payments in respect of the Housing Loans to be made to the Seller free of set-off.

10.2.5 **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 has actual knowledge of any breach).

10.2.6 Consequences of a Breach of the Representations and Warranties

If the Seller, the Manager or the Trustee has actual knowledge that a material representation or warranty referred to in Section 10.2.4 was incorrect when given, it must notify the others within five Business Days.

If any representation or warranty is incorrect when given in respect of a Housing Loan and notice of this is given by the Manager to the Seller or received by the Seller from the Trustee not later than five Business Days prior to the expiry of the Prescribed Period in relation to that Housing Loan, and the Seller does not remedy the breach to the satisfaction of the Trustee within five Business Days of the notice being given, the Housing Loan and its related securities will no longer form part of the Assets of the Series Trust. The Seller must pay to the Trustee the principal amount outstanding in respect of the relevant Housing Loan and interest accrued but unraised under the Housing Loan (as at the date of delivery of the relevant notice) by or on the day upon which that Housing Loan ceases to form part of the Assets of the Series Trust. However, all Collections received in connection with that Housing Loan from the Cut-Off Date to the date of such payment by the Seller are retained as Assets of the Series Trust. During the Prescribed Period in relation to a Housing 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 Housing Loan and its related securities is discovered to be incorrect after the last day for giving notices in the Prescribed Period in relation to that Housing 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 Housing Loan.

The above are the only rights that the Trustee has if a representation or warranty given by the Seller in relation to a Housing Loan or its related securities is discovered to be incorrect (irrespective of whether they were acquired directly from the Seller or from a Warehouse Trust). In particular, this discovery will not constitute a Perfection of Title Event under the Series Supplement except in the circumstances described in Section 10.2.11 below. Where the Housing Loans have been acquired from a Warehouse Trust, the Prescribed Period in respect of those Housing Loans will be calculated from the date they were first acquired by that Warehouse Trust and therefore may have commenced (or expired) before those Housing Loans are acquired by the Trustee.

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

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

If the Seller makes a Further Advance and opens a separate account in its records in relation to that Further Advance, then the Further Advance will be an Other Loan, and will be held by the Trustee for the Seller as trustee of the CUA Trust.

If the Seller makes a Further Advance which it records as a debit to the account in its records for an existing Housing Loan and which does not lead to an increase in the Scheduled Balance of that Housing Loan, the Further Advance is treated as an advance made pursuant to the terms of the relevant Housing Loan (each a **Redraw**) and the rights to repayment will be an amount due under the Housing Loan and will form part of the Assets of the Series Trust. On each Distribution Date the Seller will

then look to the Trustee for reimbursement of Redraws made during the previous Monthly Period (including, pursuant to a drawing under the Redraw Facility Agreement).

If the Seller makes a Further Advance which it records as a debit to the account in its records for an existing Housing Loan and which leads to an increase in the Scheduled Balance, the Housing Loan and its related securities will no longer form part of the Assets of the Series Trust. In return the Seller must pay the Trustee the principal amount (before the Further Advance) of, and accrued but unpaid interest on, the Housing Loan. If upon request of a mortgagor in relation to a Housing Loan, the Seller provides an additional feature with respect to other Housing Loans originated by the Seller which cannot be added to the Housing Loan while it remains as an Asset of the Series Trust or for any other similar purpose a Housing Loan cannot remain as an Asset of the Series Trust, the Housing 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 Housing Loan. Such payment from the Seller must equal the principal balance plus accrued but unpaid interest owing in respect of the Housing Loan and must be allocated by the Trustee to the Collections Account of the Series Trust.

The Seller must not exercise its rights to provide a Further Advance or an additional feature with respect to a Housing Loan as described in the foregoing if the Seller is aware that the mortgagor with respect to the relevant Housing Loan is in default of its obligations under that Housing Loan.

10.2.8 **Repayment of a Housing Loan**

If a Housing Loan is repaid in full, the remaining interest (if any) in the Housing 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 Housing Loans, the Trustee will continue to hold the related securities until repayment of those other Housing Loans.

10.2.9 **Clean-Up Offer**

If the principal outstanding on the Housing Loans is on the last day of a Monthly Period, when expressed as a percentage of the aggregate principal outstanding on the Housing Loans at the Closing Date, at or below 10%, 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 two 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 Housing Loans and related securities in return for payment by the Seller to the Trustee of the Clean-Up Settlement Price on the next Determination Date. The Trustee's entire right, title and interest in the Housing 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 only direct the Trustee to exercise the Clean-Up Offer if the Clean-Up Settlement Price would be an amount that would permit the Trustee to redeem the Notes in accordance with the Call Option.

10.2.10 **Noting Interest on Property Insurance**

Following the Closing Date, the Servicer must either:

- (a) ensure 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 and the Manager (and notified by the Manager to each Rating Agency).

10.2.11 Perfection of Title Event

A Perfection of Title Event occurs under the Series Supplement if:

- (a) the Seller makes any representation under the Series Supplement (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 10.2.6) 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 an amount owing to it by the Seller under any Hedge Agreement in relation to which the Seller is a Hedge Provider within ten Business Days of its due date for payment (or such longer period as the Trustee may agree to and notice of which has been given by the Manager to each Rating Agency);
- (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 each Rating Agency unless the Manager has issued a Rating Affirmation Notice in respect of the failure to perfect the Trustee's title to the mortgages.

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 Housing 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 Housing Loans and mortgages, and must take possession of the Seller's loan files in relation to the Housing Loans, subject to the Privacy Act and the Seller's duty of confidentiality to its customers under the 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 Housing Loan. However, if the Trustee does not hold all the Housing Loan Documents necessary to vest in it the Seller's right, title and interest in any Housing Loan, within five 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 Housing 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 Series Trust separate from each other series trust which is constituted pursuant to the Master Trust Deed and account for the assets and liabilities of the Series Trust separately from the assets and liabilities of such other series trusts.

10.3.3 **No Duty to Investigate**

Under the Master Trust Deed 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 Series Supplement 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 CUA 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) invest in, dispose of or deal with any asset or property of the Series Trust (including the Housing Loans) in accordance with the Manager's proposals;

- (b) 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;
- (c) 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;
- (d) 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;
- (e) 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;
- (f) 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
- (g) purchase any Housing Loan notwithstanding that, as at the Cut-Off Date, such Housing 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 any Related Body Corporate when it is acting as the Trustee's delegate.

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 Seller 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 be amended as agreed between the Manager and the Trustee from time to time. In the event of any increase to such fees, the Manager must provide written notice of the change to the Rating Agencies. 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. Any adjustment is subject to provision by the Manager of prior written notice to each Rating Agency in relation to the adjustment.

The Trustee is entitled to be reimbursed out of the Assets of the Series Trust in respect of all expenses 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 if:

- (a) it fails or neglects, within 20 Business Days (or such longer period as the Manager may agree to and notice of which has been given to each Rating Agency) 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 consent of the Manager and the resulting merged or consolidated entity does not assume the Trustee's obligations under the Transaction Documents; or
- (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.

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 who is an authorised trustee corporation within 30 days of the retirement or removal of the Trustee for all then applicable series trusts under the Master Trust Deed.

If, after 30 days, the Manager is unable to appoint a substitute Trustee it must convene a meeting of voting secured creditors (as defined in the security trust deed in relation to each then applicable series trust, or otherwise, if not so defined, the noteholders of any such series trust) at which a substitute Trustee may be appointed by extraordinary resolution (being not less than 75% of all votes cast at such a meeting or a written resolution signed by all relevant creditors or Noteholders, as applicable).

10.3.8 **Voluntary Retirement of the Trustee**

The Trustee may only voluntarily retire if it gives the Manager three months' written notice or such lesser time as the Manager and the Trustee agree (and notice of which has been given to each Rating Agency). Upon retirement the Trustee must appoint a substitute Trustee who is an authorised trustee corporation approved by the Manager for all then series trusts under the Master Trust Deed.

If the Trustee does not propose a substitute at least one month prior to its proposed retirement, the Manager may appoint an authorised trustee corporation to be substitute Trustee for all then series trusts under the Master Trust Deed.

If the Manager is unable to appoint a substitute Trustee within 30 days, it must convene a meeting of voting secured creditors (as defined in the security trust deed in relation to each then applicable series trust, or otherwise, if not so defined, the noteholders of any such series trust) at which a substitute Trustee may be appointed by extraordinary resolution (being not less than 75% of all votes cast at such a meeting or a written resolution signed by all relevant creditors or noteholders, as applicable).

10.3.9 **Substitute Trustee**

The appointment of a substitute Trustee will not be effective until:

- (a) the Manager has issued Rating Affirmation Notice in respect of the proposed appointment in respect of each relevant series trust; and
- (b) 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, negligence or wilful default on the part of the Trustee or its officers, employees or agents or any other person whose acts or omissions the Trustee is liable for under the Transaction Documents.

10.3.11 **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, 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 acts in breach of trust or is otherwise disentitled (including, without limitation, for 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), 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.

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 outstanding on the Housing Loans immediately prior to the commencement of the Monthly Period. The Manager and the Servicer may agree to adjust the Management Fee from time to time (including as a result of changes in the goods and services tax) subject to the Manager issuing 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 3 Business Days of notice from the Trustee;
- (b) the Manager does not prepare and transmit to the Trustee any Settlement Statement or any other reports it is required to prepare under the Series Supplement and such failure is not remedied within 3 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 determined by the Trustee after the Trustee is actually aware of such breach) 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 determined by the Trustee after the Trustee is actually aware of such incorrect representation or warranty) 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 agencies 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 three 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 one 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 receives confirmation from the rating agencies for all then series trusts under the Master Trust Deed that the appointment of the replacement Manager will not result in a withdrawal or reduction of the credit ratings then assigned by them to the Notes (or notes issued by other series trusts) 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 Section 10.4.6 and Section 10.4.7.

10.5 **The Servicer**

10.5.1 **Undertakings of Servicer**

In addition to its servicing role described in Section 6.8, the Servicer also undertakes, among other things, that it will:

- (a) subject to the provisions of 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 Housing 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 Housing 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.

The Servicer's duties and obligations as servicer continue until the earlier of:

- (a) the date of the Servicer's retirement or removal as Servicer in respect of the Series Trust (see Section 10.5.4); and
- (b) the Termination Payment Date.

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 Housing 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 outstanding on the Housing Loans immediately prior to the commencement of the Monthly Period. The Manager and the Servicer may agree to adjust the Servicer's fee from time to time (including as a result of changes in the goods and services tax) subject to the Manager issuing a Rating Affirmation Notice in relation to the adjustment. The fee for a Monthly Period is payable by the Trustee in arrears on the Distribution Date following the end of the Monthly Period.

The Servicer must pay from such fee all expenses incurred in connection with servicing the Housing Loans except for expenses in connection with the enforcement of any Housing Loan or its related securities, the recovery of any amounts owing under any Housing Loan or any amount repaid to a liquidator or trustee in bankruptcy pursuant to any applicable law, binding code, order or decision of any court, tribunal or the like or based on advice from the Servicer's legal advisors.

10.5.4 **Servicer Default and Removal of the Servicer**

A Servicer Default occurs if:

- (a) the Servicer fails to remit amounts received in respect of the Housing 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 Settlement Statement and such failure is not remedied within 3 Business Days of notice from the Manager or Trustee;
- (c) an Insolvency Event occurs with respect to the Servicer;
- (d) whilst the Seller is the Servicer and is acting as custodian of the Housing Loan Documents it fails to deliver all the Housing Loan 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 Housing Loan Documents that remain outstanding;
- (e) if at any time the Basis Swap terminates prior to its scheduled termination date, the Servicer fails to adjust the rates at which interest offset benefits under the Interest Off-Set Accounts are calculated and/or the variable rates on Housing Loans in accordance with the Series Supplement (as described in Sections 9.1.2 and 9.1.6), and such failure is not remedied within 2 Business Days of notice from the Trustee or Manager; or
- (f) the Servicer breaches its other obligations as Servicer under the Series Supplement 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), (d), (e) and (f), provided notice is given by the Manager to each Rating Agency.

While a Servicer Default is subsisting of which the Trustee is actually aware, the Trustee must by notice to the Servicer, the Manager and each Rating Agency immediately terminate the rights and obligations of the Servicer and appoint another appropriately qualified organisation or bank 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 and each Rating Agency three months' notice in writing (or such lesser period as the Servicer and the Trustee agree). Upon retirement the Servicer may appoint in writing as its replacement any other corporation approved by Trustee. If the Servicer does not propose a replacement by one 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 Trust Deed and the other Transaction Documents.

10.5.7 Limitations on the Servicer's Obligations

The Servicer's obligations as servicer of the Housing Loan Rights, are limited to those set out in the Series Supplement.

In addition, without limiting the Servicer's liability with respect to any breach of its obligations under the Series Supplement, the Servicer has no liability to the Trustee with respect to a failure by a mortgagor, or any other person, to perform its obligations under any Housing Loan documents.

Further, the Servicer is only obliged to remit any Collections in respect of the Housing Loan Rights (not being amounts payable by the Servicer from its own funds including Non-Collection Fees or amounts payable in respect of breaches by the Servicer of its obligations under the Series Supplement) to the Trustee to the extent that these have been received by the Servicer.

10.6 Termination of the Series Trust

10.6.1 Termination Events

The Series Trust terminates on the earliest to occur of:

- (a) the date appointed by the Manager as the date on which the Series Trust terminates (which, if the Notes have been issued by the Trustee, must not be a date earlier than:
 - (i) the date that the Stated Amount of the Notes has been reduced to zero; or
 - (ii) if an event of default under the Security Trust Deed has occurred, the date of the final distribution by the Security Trustee under the Security Trust 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 Housing Loans and related securities for less than their Fair Market Value.

If the Trustee is unable to sell the Housing 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 perfect its legal title to the Housing Loans and related securities, if it is necessary to do so to sell them. However, the Trustee must use reasonable endeavours to include as a condition of the sale that the purchaser of the Housing Loans will consent to the Seller obtaining securities subsequent to the securities assigned to the purchaser and will enter into priority agreements such that the purchaser's security has first priority over the Seller's security only for the principal outstanding plus interest, fees and expenses on the relevant Housing Loan.

10.6.3 **Seller's Right**

On the Termination Date, the Trustee may offer to sell the Housing 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 Housing Loans. The Seller may not accept an offer to purchase the Housing Loans and related securities unless the aggregate principal outstanding on the Housing Loans is on the last day of a Monthly Period, when expressed as a percentage of the aggregate principal outstanding on the Housing Loans at the Closing Date, at or below 10%. However, if the Fair Market Value of the Housing Loans is insufficient to ensure that the Noteholders will receive the aggregate of the Stated Amounts of the Notes and Coupon payable on the Notes, the offer will be conditional upon an extraordinary resolution of Noteholders approving the offer.

10.6.4 **Distributions**

After deducting expenses, the Trustee must pay amounts standing to the credit of the Collections Account on the Termination Payment Date in accordance with the order of priority set out in the Series Supplement (see Section 7). If there are insufficient funds to make payments to Noteholders in full, the amount distributed (if any) will be in final redemption of the Notes, the Income Unit and the Capital Units.

10.7 **Audit and Accounts**

The initial auditor for the Series Trust is expected to be Ernst & Young (the **Auditor**). The Auditor's remuneration is to be determined by the Trustee and approved by the Manager and will be an expense of the Series Trust.

The Manager must ensure that the accounts of the Series Trust are audited as at the end of each financial year. Copies of the accounts and the auditor's report will only be provided to the Investors on request but will be available for inspection during business hours at the Trustee's offices. The Manager must prepare and lodge the tax return for 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 agencies in respect of the series trusts under the Master Trust Deed (and no rating agency having advised the Manager that the amendment, if implemented, would cause a withdrawal or reduction of the credit ratings of the Notes or notes of other series trusts),

the Trustee and the Manager may amend the Master Trust Deed and the Series Supplement if the amendment:

- (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 (a) and (i) 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.

Notwithstanding the above, the Trustee is obliged to concur in and to effect any modifications to provisions of a Transaction Document requested by the Manager in certain circumstances, including to accommodate the appointment of a new Servicer, new Hedge Provider or new Manager, to take account of changes in the ratings criteria of the Rating Agencies where, absent such modifications, the Manager is reasonably satisfied that the rating assigned by the Rating Agencies to the Notes would be subject to a downgrade, qualification or withdrawal (even where such changes are, or may be, prejudicial to Noteholders) and to ensure compliance by Credit Union Australia, the Manager and the Series Trust with, or ensure that such parties and the Series Trust, may benefit from, any existing, new or amended legislation, regulation, directive, prudential standard or prudential guidance note of any regulatory body (including APRA) relating to securitisation provided that the Manager has certified to the Trustee that such modifications are required in order to comply with or benefit from such legislation, regulation, directive, prudential standard or prudential guidance note, as the case may be. However, the Trustee will not be obliged to concur in and effect any modifications to any provision of any Transaction Document in accordance with the foregoing, if to do so would (i) impose additional obligations on the Trustee which are not provided for or contemplated by the Transaction Documents; (ii) adversely affect the Trustee's rights under the Transaction Documents or (iii) result in the Trustee being in breach of any applicable law.

10.9 Meetings of 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, or the Unitholders or a Class of the Unitholders (the **Relevant Investors**).

10.9.2 **Notice of Meetings**

At least seven 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 two 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 five 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.

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 Note or Unit held by them on a poll.

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 and the Series Supplement;
- (b) interfere with the management of the Series Trust;
- (c) wind-up or terminate the Series Trust; or
- (d) dispose of or deal with Housing Loans and related securities or eligible investments of the Series Trust.

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 (as the case may be).

11. DOCUMENT CUSTODY

11.1 Document Custody

The Seller will hold all Housing Loan Documents relating to the Housing Loans from the Closing Date as custodian on behalf of the Trustee. The Seller may delegate its duties and obligations as custodian of the Housing Loan Documents to a delegate (the **Custodial Delegate**). The Seller remains liable, at all times, for the acts or omissions of the Custodial Delegate (where those acts or omissions constitute a breach by the Seller of its Custodial obligations) and the payment of fees to the Custodial Delegate. The Seller may retire as custodian of the Housing Loan Documents by giving the Trustee and each Rating Agency three months' notice in writing (or such lesser time as the Trustee agrees) in which case it will be required to transfer the Housing Loan Documents to the Trustee.

The following provisions of this Section 11 only apply while the Seller is acting as custodian.

The Seller or its Custodial Delegate must hold the Housing 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 must deliver to the Trustee, no later than 30 days from the Closing Date, an electronic listing or electronic file containing details of the Housing Loan Documents in its custody or that of the Custodial Delegate and a letter containing the identification methodology for the Housing Loan Documents. The Seller's or its Custodial Delegate'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 quarterly basis on 31 December, 31 March, 30 June and 30 September in each year) or such other period agreed as may be agreed by the Manager, the Trustee and each Rating Agency.

The Seller may retire as Custodian of the Housing Loan Documents upon giving to the Trustee and each 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 as if a Document Transfer Event has occurred on the date 14 days prior to the effective date of the Seller's retirement without any notice of a Document Transfer Event required to be given by the Trustee.

11.2 Document Transfer Event

A Document Transfer Event will occur if an adverse document custody report is provided by the Auditor; the Auditor is then instructed by the Trustee to conduct a further document custody report no sooner than one month but no later than two months after the date of receipt by the Trustee of the adverse document custody report; and the Auditor provides a further adverse document custody report.

An adverse document custody report by the Auditor for the purposes of a Document Transfer Event is one in which material adverse findings are identified by the Auditor following a review by it on the terms described in Section 11.1.

If following a Document Transfer Event:

- (a) the Trustee is satisfied, notwithstanding the occurrence of the Document Transfer Event, that the Seller is an appropriate person to act as custodian of the Housing Loan Documents; and
- (b) the Manager has issued a Rating Affirmation Notice in relation to the appointment of the Seller to act as custodian of the Housing Loan Documents,

then the Trustee may by agreement with the Seller appoint the Seller to act as custodian of the Housing Loan Documents upon such terms as are agreed between the Trustee and the Seller and approved by the Manager.

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 Series Supplement 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(f) 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 Series Supplement for certain Housing Loan Documents, transfer custody of the Housing Loan Documents to the Trustee. The Trustee will be entitled to receive the Custodian Fee while holding the Housing Loan Documents.

11.3 Custodian Fee

The Seller is entitled to a fee for the provision of custodial services by it or its Custodial Delegate to the Trustee. The amount of such fee will be agreed on from time to time between the Manager, the Trustee and the Seller. The fee for a Monthly Period is payable by the Trustee in arrears on the Distribution Date following the end of the Monthly Period. In the event of any increase to such fees, the Manager must provide written notice of the change to the Rating Agencies.

12. TAXATION CONSIDERATIONS

12.1 Income Tax Treatment of the Noteholders

Persons holding an interest in the Notes (in this section, the **Noteholders**) will derive interest income from their Notes. Under the terms of the Notes, the interest income will accrue on a monthly basis. The Noteholders will, if Australian residents or non-residents that hold their interest in the Notes in carrying on business at or through a permanent establishment in Australia, be assessable on this interest income for tax purposes. Whether this interest income will be recognised on a cash receipts or accruals basis for tax purposes will depend upon the tax status of the particular Noteholder.

12.2 Interest on the Notes: Australian Interest Withholding Tax and Pay-As-You-Go Withholding Obligations

Non-resident Noteholders, other than persons holding their interest in such Notes as part of a business carried on, at or through a permanent establishment in Australia, are not subject to Australian income tax on payments of interest or amounts in the nature of interest where the exemptions for Australian interest withholding tax discussed below apply. If no exemption is available, Australian interest withholding tax will be levied at a rate of 10% on interest or amounts in the nature of interest paid on the Notes.

Australian residents who hold an interest in such Notes as part of a business carried on, at or through a permanent establishment in a country outside Australia are subject to Australian interest withholding tax, and may also be subject to Australian income tax, on payments of interest or amounts in the nature of interest.

There are a number of possible exemptions from Australian interest withholding tax contained in the Tax Acts. Pursuant to Section 128F of the Tax Act, an exemption from Australian interest withholding tax applies provided all prescribed conditions are met. Where the Section 128F exemption applies, the income ceases to be subject to Australian interest withholding tax.

These conditions in Section 128F are:

- (a) the Trustee is a company, which for Section 128F purposes includes a company acting as a trustee of an Australian trust estate, provided that all the beneficiaries are companies other than companies acting in the capacity of trustee, that is a resident of Australia or a non-resident carrying on business through an Australian permanent establishment when it issues the notes and when interest, as defined in Section 128A(1AB) of the Tax Act, is paid; and
- (b) the Notes were issued in a manner which satisfied the public offer test as prescribed under Section 128F of the Tax Act.

Each Joint Lead Manager has agreed with the Trustee to offer the Notes for subscription or purchase in accordance with certain procedures intended to result in the public offer test being satisfied and all Notes having the benefit of the Section 128F exemption.

Under present law, the public offer test will not be satisfied if, at the time of issue, the Trustee knew, or had reasonable grounds to suspect, that the Notes, or an interest in the Notes, was being, or would later be, acquired either directly or indirectly by an Offshore Associate of the Trustee in its capacity as trustee of the Series Trust or Credit Union Australia, other than in the capacity of a dealer, manager or underwriter in relation to the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme.

The Section 128F exemption also does not apply to interest paid by the Trustee to an Offshore Associate of the Trustee in its capacity as trustee of the Series Trust or Credit Union Australia if, at the

time of payment of the interest, the Trustee knows, or has reasonable grounds to suspect, that such person is an Offshore Associate and the Offshore Associate does not receive the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

An **Offshore Associate** means an associate (as defined in Section 128F(9) of the Tax Act) of the Trustee in its capacity as trustee of the Series Trust or the Seller, that is either:

- a non-resident of Australia that does not acquire the Notes or an interest in the Notes in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
- a resident of Australia that acquires the Notes or an interest in the Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

Accordingly, the Notes should not be acquired by any Offshore Associate of the Trustee in its capacity as trustee of the Series Trust or Credit Union Australia (except in the circumstances listed above).

In addition, interest paid to non-resident superannuation funds may be exempt from Australian interest withholding tax where that fund is a superannuation fund for foreign residents and the interest arising from the Notes is exempt from income tax in the country in which the fund is resident.

An amount may be withheld under Section 12-140 of Schedule 1 to the *Taxation Administration Act (TA Act)* in respect of any interest payments made by the Series Trust on the Notes where the payee did not quote its Tax File Number (**TFN**) or Australian Business Number (**ABN**), unless an exception applies. The amount required to be withheld is prescribed by regulations to be 47% (or, for the 2014-2015, 2015-2016 and 2016-2017 income years, tax at the rate of 49%, as a result of the 2% Temporary Budget Repair Levy) of the amount of the payment.

12.3 Interest on the Notes: Tax Treaties

The Australian government has signed a number of new or amended double tax conventions (**Treaties**) with certain countries including the United States of America, the United Kingdom, Norway, Finland, France, Japan, South Africa, New Zealand and Switzerland (**Specified Countries**). The Treaties may apply to interest derived by a resident of a Specified Country in relation to a Note.

The Treaties effectively prevent the withholding tax applying to interest derived by:

- (a) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- (b) certain unrelated banks, and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Specified Country, and which are dealing wholly independently with the Series Trust,

by reducing the interest withholding tax rate to zero. Under the Treaties, back-to-back loans and economically equivalent arrangements will not obtain the benefit of the reduction in interest withholding tax.

All Treaties listed above are currently in effect. The treatment of each Noteholder under a double tax treaty may differ as between particular countries' treaties and depending on the particular circumstances of each Noteholder. Therefore, each Noteholder will need to consider the specific terms of any applicable double tax treaty.

12.4 Gain or Profit on Sale of the Notes

A non-resident Noteholder who has never held the Notes in the course of carrying on a trade or business at or through a permanent establishment within Australia will not be subject to Australian income tax or capital gains tax on gains realised on the sale or disposal of such Notes provided:

- (a) such gains do not have an Australian source; or
- (b) where the non-resident Noteholder is a resident of a country with which Australia has concluded a double tax convention, the non-resident Noteholder is eligible for benefits under that convention.

The source of any profit on the disposal of the Notes will depend on the factual circumstances of the actual disposal. In general, provided the interest in the Notes is held outside Australia, in connection with a business conducted exclusively outside Australia and is disposed of directly to a non-resident which does not have a business carried on, at or through a permanent establishment in Australia, or to such a non-resident through a non-resident agent, the gain should not have a source in Australia.

Where the interest in the Notes is held, and the disposal occurs as part of a business carried on by the non-resident Noteholder at or through a permanent establishment in Australia, the profits derived from the sale or disposal may be deemed to have an Australian source. Such deeming will depend upon the country in which the non-resident Noteholder is located and any applicable double tax convention between Australian and that country. As stated above, the treatment of each Noteholder under a double tax convention may differ as between particular countries' treaties and depending on the particular circumstances of each Noteholder. Therefore, Noteholders who are potentially affected should seek advice specific to their circumstances.

12.5 Consolidation

In general terms, a consolidated or consolidatable group (for income tax purposes) consists of a head company and all companies or trusts that are wholly-owned Australian subsidiaries of the head company. If 100% of the units in a trust are owned by Credit Union Australia, that trust may be consolidated as part of the Credit Union Australia group.

As 1 Capital Unit in the Series Trust will be held by an entity which is unrelated to Credit Union Australia, the Series Trust will not be able to be consolidated as part of the Credit Union Australia group.

12.6 Goods and Services Tax

A goods and services tax (**GST**) is payable by all entities which make taxable supplies in Australia. The GST 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:

- the issuance of the Notes;
- the payment of interest on the Notes; and

- 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:

- **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
- **input taxed**, which includes "financial supplies" as defined by regulation 40-5.09 of the A New Tax System (Goods and Services Tax) Regulations (Cth) 1999, 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 the 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 makes 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:

- there is a significant change in the GST legislation (including a change in the rate of GST);
- the Trustee (in its personal capacity) and the Manager agree or, failing agreement, an appropriate adjustment is determined by an expert; and
- the Manager has issued a Rating Affirmation Notice in relation to the adjustment.

The Manager may agree to adjust the Manager's fee provided that the Manager has issued a Rating Affirmation Notice in writing in relation to that adjustment.

If amounts payable by the Series Trust are consideration for a taxable supply under the GST legislation, the Series Trust may be restricted in its ability to claim an input tax credit for amounts charged by the supplier on account of GST. Where this is the case, the expenses of the Series Trust would 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 financial supplies:

- Firstly, a "reduced input tax credit" may be claimed for "reduced credit acquisitions" for some of the supplies made to the Series Trust by service providers, where the acquisition relates to the making of financial supplies by the Series Trust. Where available, the amount of the reduced input tax credit is generally 75% of the GST which is payable by the service provider on the taxable supplies made to the Trustee. The availability of reduced input tax credits will reduce the extent to which the expenses of the Series Trust will increase because of GST.

- Secondly, an entity will not be precluded from claiming an input tax credit for an acquisition to the extent the acquisition relates to the making of financial supplies and the entity making the acquisition does not exceed the “financial acquisitions threshold”.
- Thirdly, an entity could be entitled to input tax credits for acquisitions relating to a financial supply that consists of a borrowing, provided that the borrowing relates to supplies that are not input taxed.

The acquisitions made by the Series Trust from the Trustee (in its personal capacity), the Manager and the Servicer are expected to be acquisitions of taxable supplies and, as such, the fees paid by the Series Trust for these supplies should include amounts on account of GST. However, the Series Trust’s acquisitions of services from the Manager, the Servicer and the Trustee (in its personal capacity) are also expected to be reduced credit acquisitions. As such, the Series Trust should be entitled to a reduced input tax credit in respect of the acquisition of those services.

The GST may increase the cost of repairing or replacing damaged properties offered as security for Housing Loans.

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 Housing 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.

13. SELLING RESTRICTIONS

Australia

No prospectus or other disclosure document (as defined in the Australian Corporations Act) has been or will be lodged with the Australian Securities and Investments Commission (**ASIC**). Each Joint Lead Manager has represented and agreed that it:

- (a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (a) has not distributed or published, and will not distribute or publish, any information memorandum, advertisement or other offering material relating to the Notes in Australia,

unless (1) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Australian Corporations Act, (2) such action complies with all applicable laws, regulations and directives, and (3) such action does not require any document to be lodged with ASIC.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Trustee; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Public Offer Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Joint Lead Manager represents, warrants and agrees that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Information Memorandum to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted by the Prospectus Directive, subject to obtaining the prior consent of the Joint Lead Manager(s) nominated by the Trustee for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Trustee or Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of the above, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

Singapore

Each Joint Lead Manager has acknowledged that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**). Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 by a relevant person which is:

- (a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 except:

- (c) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- (d) where no consideration is or will be given for the transfer; or
- (e) where the transfer is by operation of law; or
- (f) pursuant to Section 276(7) of the SFA.

Hong Kong

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than:
 - (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (**SFO**) and any rules made under the SFO; or
 - (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (**CWMO**) or which do not constitute an offer to the public within the meaning of the CWMO; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong).

General

No action has been, or will be, taken by the Trustee, the Manager or any of the Joint Lead Managers that would permit a public offering of the Notes or distribution of this Information Memorandum or any other offering or publicity material relating to the Notes in or from any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Information Memorandum nor any circular, prospectus, form of application, advertisement or other material, may be distributed in or form or published in any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws or regulations.

14. TRANSACTION DOCUMENTS AVAILABLE FOR INSPECTION

The following documents (other than the Dealer Agreement) will be available for inspection (but not copying) by each Unitholder, Noteholder and bona fide prospective Noteholders during business hours at the office of the Manager 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 16 August 2002 between CUA Financial Planning Pty Ltd (formerly Mentor Australia Financial Planning Pty Ltd) and Perpetual Trustee Company Limited, as amended.
Series Supplement	A Series Supplement dated 9 February 2015 between Credit Union Australia, CUA Financial Planning Pty Ltd and Perpetual Trustee Company Limited.
Security Trust Deed	A Security Trust Deed dated 9 February 2015 between Perpetual Trustee Company Limited as trustee of the Series Trust, P.T. Limited and CUA Financial Planning Pty Ltd.
Liquidity Facility Agreement	A Liquidity Facility Agreement dated 19 February 2015 between National Australia Bank Limited, Perpetual Trustee Company Limited as trustee of the Series Trust and CUA Financial Planning Pty Ltd.
Redraw Facility Agreement	A Redraw Facility Agreement dated 19 February 2015 between Credit Union Australia, Perpetual Trustee Company Limited as trustee of the Series Trust and CUA Financial Planning Pty Ltd.
Hedge Agreement	An ISDA Master Agreement dated 19 February 2015 between Perpetual Trustee Company Limited as trustee of the Series Trust, National Australia Bank Limited, CUA Financial Planning Pty Ltd and Credit Union Australia.
Dealer Agreement	A Dealer Agreement dated 9 February 2015 between Credit Union Australia, Perpetual Trustee Company Limited as trustee of the Series Trust, CUA Financial Planning Pty Ltd, Deutsche Bank AG, Sydney Branch, National Australia Bank Limited and Westpac Banking Corporation.

15. GLOSSARY OF TERMS

ABN	This is described in Section 2.7.
Accrued Interest Adjustment	This is described in Section 7.4.5.
Acquiring Trust	This is described in Section 10.1.3.
Adjustment Advance	In relation to the Housing Loans means an amount, as determined by the Manager, not exceeding an amount equal to the accrued and unpaid interest in respect of the Housing Loans less any accrued and unpaid costs and expenses in respect of the Housing Loans during the period up to (but not including) the relevant Closing Date.
Adjusted Investor Revenues	This is described in Section 7.4.2.
Adverse Effect	An event which materially and adversely affects the amount of any payment to be made to any Investor (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.
Adverse Payment Effect	An event which materially and adversely affects the amount of any payment of any Senior Secured Money or materially and adversely affects the timing of such a payment.
Aggregate Initial Invested Amount	This is described in Section 2.2.
AIFMR	Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositories, leverage, transparency and supervision.
AML/CTF Act	This is described in Section 5.13.
Approved Mortgage Insurer	This is described in Section 8.1.
Applied Liquidity Amount	This is described in Section 9.2.4.
Arranger	Deutsche Bank.
Arrears Days	In relation to a Housing Loan and either the Cut-Off Date in relation to that Housing Loan or a Determination Date: (a) where the Overdue Amount in respect of the Housing Loan as recorded on the Housing Loan System as at the relevant date is less than or equal to \$20.00, zero; and (b) where the Overdue Amount in respect of the Housing Loan as recorded on the Housing Loan System as at the relevant date is greater than \$20.00, the number of days commencing on (but

excluding) the date on which more than \$20.00 of that Overdue Amount became outstanding and has not since been repaid and ending on (and including) the relevant date.

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 Housing 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 Housing Loans, related securities and other rights assigned to the Trustee in its capacity as Trustee of the Series Trust (see Section 10) on, and subject to, the terms of the Master Trust Deed and the Series Supplement;
- (g) (the interest of the Trustee in any Hedge Agreement and any credit enhancements relating to the Series Trust;
- (h) the benefit of all representations, warranties and undertakings made by any party in favour of the Trustee under the Transaction Documents; and
- (i) 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 Housing 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 of the Housing Loans referred to in that Transfer Proposal, the Servicer or any other person in relation to those Assets.

Assignment Date	This is described in Section 2.4.
Auditor	This is described in Section 10.7.
Authorised Short Term Investments	<p>These are:</p> <ul style="list-style-type: none"> (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 the acquisition of certificates of deposit issued by, an ADI 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 (with recourse) by an ADI 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 or Territory 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 or Territory,

in each case held in the name of the Trustee or its nominee and denominated in Australian Dollars except that an Authorised Short-Term Investment must not be a securitisation exposure or a resecuritisation exposure (as defined in Australian Prudential Standard APS 120 dated January 2013 issued by the Australian Prudential Regulation Authority or any replacement or amended version of that standard).

Average 60 Day Arrears Percentage In relation to a Determination Date, means a percentage calculated as follows:

$$ADA = \frac{X}{Y}$$

where:

- ADA = the Average 60 Day Arrears Percentage for that Determination Date;
- X = the sum of the Monthly Period Arrears for that Determination Date and the preceding 2 Determination Dates (or, if less than 2 preceding Determination

	Dates have occurred, the number of previous Determination Dates); and
Y	= 3 (or, if fewer than 2 Determination Dates have occurred prior to the relevant Determination Date, 1 plus the number of preceding Determination Dates).
ASX	The Australian Securities Exchange.
ASX Listing Rules	The ASX Listing Rules as updated from time to time.
Basis Swap	This is described in Section 9.1.2.
Basel Committee	This is described in Section 5.18.
BBSW	In respect of a Coupon Period or an interest period under the Liquidity Facility, the rate calculated by taking the rates quoted at approximately 10.10 a.m. Sydney time on the first day of the Coupon Period or the first occurring Distribution Date during the interest period (as the case may be) on the Reuters Screen page "BBSW" as being the average of the mean buying and selling rates for a bill of exchange having a tenor equal to the length of the relevant Coupon Period rounded upwards to 4 decimal places. If a Coupon Period is not equal to a period for which BBSW is quoted on the Reuters Screen page "BBSW", fewer than 4 banks are quoted on the Reuters Screen page "BBSW", or for any other reason the rate cannot be determined in accordance with the foregoing procedures, then the rate will be as specified by the Manager or the Liquidity Facility Provider (as the case may be) having regard to comparable indices then available or, where the Coupon Period or an interest period under the Liquidity Facility is not equal to a period for which "BBSW" is quoted, by reference to linear interpolation of other rates available on the Reuters Page "BBSW".
Business Day	A day on which ADIs (as defined in Section 5 of the Banking Act 1959) are open for business in Sydney, Melbourne and Brisbane but does not include a Saturday, Sunday or a public holiday.
Calculation Period	Calculation Period as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.).
Call Date	The Distribution Date on which the aggregate principal amount outstanding of all Housing Loans as at the last day of the preceding Monthly Period, when expressed as a percentage of the aggregate principal amount outstanding of all Housing Loans as at the Closing Date, is first at or below 10%.
Call Option	The right of the Trustee to redeem all the Notes as

	described in Section 4.3.4.
Cash Deposit	This is described in Section 9.2.9.
Capital Requirements Regulation	Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012.
Capital Units	Capital Units in the Series Trust as described in Section 10.1.1.
Cash Rate	The then target official cash rate last announced by the Reserve Bank of Australia.
Charge	The charge over the Non-PPSA Secured Property created under the General Security Deed.
Charge-Offs	These are described in Section 7.7.
Class A Notes	These are described in Sections 2, 3 and 4.
Class A Noteholder	The registered holder of a Class A Note, including persons jointly registered.
Class A Subordination Percentage	This means on any Determination Date the aggregate Invested Amounts of the Class AB Notes, the Class B Notes, the Class C Notes and the Class D Notes as at that date expressed as a percentage of the aggregate Invested Amounts of all the Notes as at that date.
Class AB Notes	These are described in Sections 2, 3 and 4.
Class AB Noteholder	The registered holder of a Class AB Note, including persons jointly registered.
Class AB Subordination Percentage	This means on any Determination Date the aggregate Invested Amounts of the Class B Notes, the Class C Notes and the Class D Notes as at that date expressed as a percentage of the aggregate Invested Amounts of all the Notes as at that date.
Class B Notes	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 Notes	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 Notes	These are described in Sections 2, 3 and 4.
Class D Noteholder	The registered holder of a Class D Note, including persons jointly registered.

Clearstream, Luxembourg	Clearstream, Luxembourg means Clearstream Banking, S.A. or its successor.
Clean-Up Offer	The irrevocable offer by the Trustee to extinguish in favour of the Seller its entire right, title and interest in the Housing 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 10.2.4(1).
Clean-Up Settlement Price	The amount determined by the Manager to be aggregate of the Fair Market Value of each Housing 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.
Closing Date	This is described in Section 2.2.
Collections	This is described in Section 7.3.1.
Collections Account	This is described in Section 2.6.
Consumer Credit Code	The Consumer Credit Code set out in the Appendix to the Consumer Credit (Queensland) Act 1994 as in force or applied as a law of any jurisdiction in Australia and the National Credit Code or any equivalent legislation of any Australian jurisdiction.
Conversion	This is described in Section 9.1.7.
Corporations Act	The Corporations Act 2001 (Cth).
Coupon	This is described in Section 4.2.
Coupon Period	This is described in Section 4.2.2.
Coupon Rate	This is described in Section 4.2.3.
CRA Regulation	This is described in Section 1.16.
Credit Code	This is described in Section 5.14.
Credit Union Australia	Credit Union Australia Ltd ABN 44 087 650 959.
CUA Trust	This is described in Section 10.1.2.
Current Balance	The principal outstanding on a Housing Loan at a particular time.
Custodial Delegate	A delegate appointed by the Seller to perform its duties and obligations as custodian of the Housing Loan Documents under the Series Supplement.
Custodian Fee	This is described in Section 11.3.
Cut-Off Date	This is described in Section 2.2.
Dealer Agreement	The Dealer Agreement dated 9 February 2015 between the Trustee, the Manager, the Servicer and the Joint Lead

	Managers.
Defaulted Amount	In relation to a Monthly Period means the aggregate principal amount of any Housing Loans which have been written off by the Servicer as uncollectible during that Monthly Period in accordance with the Servicing Standards.
Defaulted Amount Insufficiency	This is described in Section 7.7.2.
Determination Date	The date which is three Business Days before each Distribution Date.
Deutsche Bank	Deutsche Bank AG, Sydney Branch ABN 13 064 165 162
Distribution Date	The 13th day of each calendar month (or if such day is not a Business Day, the next Business Day). The first Distribution Date will be 13 April 2015.
Disposing Trust	This is described in Section 10.1.3.
Document Transfer Event	This is described in Section 11.2.
Eligibility Criteria	These are described in Section 6.3.
Eligible Depository	This means a financial institution which has a short term credit rating by S&P of at least A-2 and a short term credit rating by Fitch of at least F1 and a long term credit rating by Fitch of at least A.
EPF	This is described in Section 6.4.2.
Euroclear	Euroclear means Euroclear S.A./N.V. or its successor.
Excess Investor Revenues	This is described in Section 2.6.
Excess Revenue Reserve	This is described in Section 2.6 and 7.6.
Excess Revenue Reserve Draw	This is described in Section 2.6 and Section 7.6.
Excess Revenue Reserve Target Balance	This means: <ul style="list-style-type: none"> (a) 0.20% of the aggregate Invested Amounts of the Notes on the Closing Date; or (b) such other amount notified by the Manager to the Trustee and in respect of which the Manager has issued a Rating Affirmation Notice.
Extraordinary Expenses	This is described in Section 7.5.6.
Extraordinary Expenses Reserve	This is the reserve forming part of the Collections Account that may be applied as described in Section 7.5.6.
Extraordinary Expenses Reserve Target Balance	This is described in Section 7.5.6.
FATCA	This is described in Section 5.17.

FATCA Withholding Tax

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 Section 1471 through 1474 of the Code and any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto or any withholding or deduction required pursuant to the legislation of any other jurisdiction which has or may have a similar effect as the Code.

Fair Market Value

In respect of a Housing Loan, means the fair market price for the purchase of that Housing 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 Housing Loan. If the offered price is at least equal to the principal outstanding plus accrued interest for a Housing 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.

Fitch

Fitch Australia Pty Limited ABN 93 081 339 184.

Fitch Collateralisation Event

This is subsisting in relation to the Hedge Provider or the Standby Swap Provider only if the following occur during a Fitch Rating Period:

- (a) the current rating of that entity issued by Fitch is lower than the Minimum Fitch Uncollateralised Counterparty Rating at that time for a period of at least 14 consecutive days (or such longer period as is permitted before collateralisation is required in accordance with the relevant Fitch criteria); and
- (b) that entity has not already taken one of the actions described in Sections 9.1.3(b)(ii) or 9.1.3(b)(iii) and 9.1.4(b) or 9.1.4(c), as applicable, regardless of whether a Fitch Replacement Event has occurred or is subsisting.

However, if that entity takes the action described in Sections 9.1.3(b)(ii) or 9.1.4(b), as applicable, and the relevant replacement counterparty is an entity which holds a credit rating of at least the Minimum Fitch Collateralised Counterparty Rating but not the Minimum Fitch Uncollateralised Counterparty Rating, then the periods described in paragraph (b) above do not restart and instead the period to which the replaced party was subject continues.

Fitch Rating Period	This means any period when: <ul style="list-style-type: none"> (a) Fitch is engaged by or on behalf of the Trustee to provide a credit rating on any Notes; and (b) any Notes which are the subject of a rating from Fitch are outstanding.
Fitch Replacement Event	This is subsisting in relation to the Hedge Provider or the Standby Swap Provider only if during a Fitch Rating Period the current rating of that entity issued by Fitch is not at least equal to the Minimum Fitch Collateralised Counterparty Rating.
Fixed Finance Charges	These are described in Section 9.1.3.
Fixed Rate Swap	This is described in Section 9.1.3.
FSMA	Financial Services and Markets Act 2000.
Further Advance	This is described in Section 10.2.7.
GEMI	This is described in Section 8.6.1.
GEMICO	This is described in Section 8.6.1.
Genworth	Genworth Financial Mortgage Insurance Pty Ltd ABN 60 106 974 305.
Genworth GEMICO	This is described in Section 8.6.1.
Genworth Master Policy No. 1	This is described in Section 8.3.
Genworth Master Policy No. 2	This is described in Section 8.5.
Genworth Master Policy No. 3	This is described in Section 8.5.
Gross Liquidity Shortfall	This is described in Section 7.4.2.
GST	The goods and services tax payable under the GST law, as defined in the GST Act.
GST Act	The A New Tax System (Goods and Services Tax) Act 1999 (Cth).
GST Legislation	The "GST law" as defined in the GST Act.
Hedge Agreement	This is described in Section 14, and includes any ISDA Master Agreement to which the Trustee and the Manager are a party where such agreement is in substitution (in whole or in part) for either of the Hedge Agreements described in Section 14.
Hedge Provider	Any entity described in Section 9.1.1 as a Hedge Provider, any other party to a Hedge Agreement other than the Trustee and the Manager and, for the avoidance of doubt, includes the Standby Swap Provider.

Hedge Provider Default Event	<p>The occurrence of:</p> <ul style="list-style-type: none"> (a) an Event of Default where the Hedge Provider is the Defaulting Party (as those terms are defined in the relevant Hedge Agreement); or (b) a Termination Event where the Hedge Provider is the sole Affected Party other than a Termination Event following an Illegality or a Tax Event (as those terms are defined in the relevant Hedge Agreement).
Housing Loan Documents	These are described in Section 10.
Housing Loan Rights	These are described in Section 10.
Housing Loans	The housing loans forming part of the Mortgage Pool assigned, or to be assigned, to the Trustee.
Income Unit	This is described in Section 10.1.1.
Income Unitholder	The holder of the Income Unit.
Initial Invested Amount	<p>In relation to:</p> <ul style="list-style-type: none"> (a) a Note, means \$1,000; and (b) a Class of Notes or a Sub-Class of Notes, means the aggregate initial principal amount of all Notes in that Class or sub-class (as the case may be) upon the issue of those Notes.
Insolvency Event	<p>In relation to a body corporate (other than the Trustee), the happening of any of the following:</p> <ul style="list-style-type: none"> (a) an order is made that that 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 Security Trustee, on terms reasonably approved by the Manager), that 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) that body corporate resolves to wind itself up, or otherwise dissolve itself, or gives notice of

intention to do so, except to reconstruct or amalgamate on terms reasonably approved by the Trustee (or in the case of a reconstruction or amalgamation of the Security Trustee, except on terms reasonably approved by the Manager) or is otherwise wound up or dissolved;

- (e) that body corporate is or states that it is insolvent;
- (f) as a result of the operation of Section 459(1) of the Corporations Act, that body corporate is taken to have failed to comply with a statutory demand;
- (g) that 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.

In relation to the Trustee means each of the following events:

- (a) an application is made to a court (which application is not dismissed or stayed on appeal within 30 days) for an order or an order is made that the Trustee be wound up or dissolved;
- (b) an application is made to a court for an order appointing a liquidator, a provisional liquidator, a receiver or a receiver and manager in respect of the Trustee (which application is not dismissed or stayed on appeal within 30 days), or one of them is appointed, whether or not under an order;
- (c) except on terms approved by the Security Trustee, the Trustee 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, or it proposes a reorganisation, moratorium or other administration involving any of them;

- (d) the Trustee resolves to wind itself up, or otherwise dissolve itself, or gives notice of intention to do so, except to reconstruct or amalgamate while solvent on terms approved by the Security Trustee or is otherwise wound up or dissolved;
- (e) the Trustee is or states that it is unable to pay its debts when they fall due;
- (f) as a result of the operation of Section 459F(1) of the Corporations Act, the Trustee is taken to have failed to comply with a statutory demand;
- (g) the Trustee is or makes a statement from which it may be reasonably deduced by the Security Trustee that the Trustee is, the subject of an event described in Section 459C(2)(b) or Section 585 of the Corporations Act;
- (h) the Trustee takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to the Trustee or the board of directors of the Trustee propose to appoint an administrator to the Trustee or the Trustee becomes aware that a person who is entitled to enforce a charge on the whole or substantially the whole of the Trustee's property proposes to appoint an administrator to the Trustee; and
- (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 Off-Set Account

A deposit account then maintained by a Mortgagor with the Seller under which:

- (a) if the Mortgagor maintains a certain credit balance in that deposit account, the interest rate ordinarily charged on a Housing Loan then forming part of the Assets of the Series Trust which is provided by the Seller to the Mortgagor, is charged against a "net balance amount" of that Housing Loan. The net balance amount is the unpaid daily balance of that Housing Loan at the end of the day minus the multiplied total of the "offset rate" (which is a percentage rate determined by the Seller from time to time) and the balance of that deposit account at the end of the day; or
- (b) interest that would otherwise be earned in respect

of that account is off-set (to the extent thereof) against interest that would otherwise be payable on a Housing Loan then forming part of the Assets of the Series Trust which is provided by the Seller to the Mortgagor.

Interest Off-Set Reserve	This is described in Section 6.4.4.
Invested Amount	In relation to a Note, means the Initial Invested Amount of that Note less the aggregate amount of payments previously made on account of principal to the Noteholders 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.
IRS	This is described in Section 5.17.
Joint Lead Managers	Deutsche Bank AG, Sydney Branch ABN 13064165162, Westpac Banking Corporation ABN 33 007 457 141 and National Australia Bank Limited 12 004 044 937.
Linked Account	Any Interest Off-Set Account or any other deposit account with the Seller, the establishment of which was a condition precedent to the provision by the Seller of a Housing Loan.
Liquidity Facility	The liquidity facility described in Section 9.2.
Liquidity Facility Agreement	This is described in Section 14.
Liquidity Facility Limit	This is described in Section 9.2.3.
Liquidity Facility Provider	National Australia Bank Limited.
LVR	In relation to a Housing Loan, the loan-to-value ratio of that Housing Loan.
Management Fee	This is described in Section 10.4.5.
Manager	The initial Manager of the Series Trust is CUA Financial Planning Pty Ltd (formerly Mentor Australia Financial Planning Pty Ltd) ABN 60 010 003 853. If CUA Financial Planning Pty Ltd ABN 60 010 003 853 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 and sub-class of Notes as described in Section 4.2.3.
Master Trust Deed	The Master Trust Deed described in Section 14.

Maturity Date	This is described in Sections 2.2 and 4.3.1.
Minimum Fitch Collateralised Counterparty Rating	This means, at any time, the minimum current rating of the Hedge Provider or the Standby Swap Provider, as applicable, that will not, provided that collateral is being provided in accordance with the relevant credit support annex to the Hedge Agreement, cause a downgrade, withdrawal or qualification of the current rating of the Notes as determined in accordance with the Hedge Agreement or (if that entity and the Manager agree) as otherwise determined in accordance with the relevant Fitch criteria.
Minimum Fitch Uncollateralised Counterparty Rating	This means, at any time, the minimum current rating of the Hedge Provider or the Standby Swap Provider, as applicable, that will not, without any collateral having to be currently provided in accordance with the relevant credit support annex to the Hedge Agreement, cause a downgrade, withdrawal or qualification of the current rating of the Notes as determined in accordance with the Hedge Agreement or (if that entity and the Manager agree) as otherwise determined in accordance with the relevant Fitch criteria.
Minimum S&P Collateralised Counterparty Rating	This means the minimum current rating of the Hedge Provider or the Standby Swap Provider, as applicable, that will not, provided that collateral is being provided in accordance with the relevant credit support annex to the Hedge Agreement, cause a downgrade, withdrawal or qualification of the current rating of the Notes as determined in accordance with the Hedge Agreement or (if that entity and the Manager agree) as otherwise determined in accordance with the relevant S&P criteria.
Minimum S&P Uncollateralised Counterparty Rating	This means the minimum current rating of the Hedge Provider or the Standby Swap Provider, as applicable, that will not, without any collateral having to be currently provided in accordance with the relevant credit support annex to the Hedge Agreement, cause a downgrade, withdrawal or qualification of the current rating of the Notes as determined in accordance with the Hedge Agreement or (if that entity and the Manager agree) as otherwise determined in accordance with the S&P criteria.
Monthly Period	A period of approximately one calendar month. The first Monthly Period commences on (and includes) the Cut-Off Date and ends on (and includes) the last day of the calendar month prior to the calendar month in which the first Distribution 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 following the calendar month in which the previous Monthly Period ended. The final Monthly Period is the Monthly Period

	ending immediately before the Termination Payment Date.
Monthly Period Arrears	In relation to a Determination Date, is the aggregate principal amount outstanding of all Housing Loans which are Assets of the Series Trust with Arrears Days of 60 or greater as at the last day of the preceding Monthly Period divided by the aggregate principal amount outstanding of all Housing Loans which are then Assets of the Series Trust at that time, expressed as a percentage.
Mortgage Insurance Policies	These are described in Section 8.
Mortgage Pool	The pool of Housing Loans to be assigned to the Trustee with effect from the Cut-Off Date. This is described in Section 6.1.
Mortgagor Break Benefits	Any benefits payable to a mortgagor under the terms of a Housing Loan or as required by law upon the early termination of a given fixed interest rate relating to all or part of that Housing 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 Housing Loan prior to the scheduled termination of that fixed interest rate.
NAB	National Australia Bank Limited ABN 12 004 044 937.
National Consumer Credit Legislation	Each of: <ul style="list-style-type: none"> (a) the NCCP Act; (b) the National Consumer Credit Protection (Fees) Act 2009 (Cth); (c) the National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 (Cth); (d) any other "credit legislation" (as defined in the NCCP Act); and (e) any regulations made under any of the legislation referred to in paragraphs (a) to (d) above.
NCCP Act	The National Consumer Credit Protection Act 2009 (Cth).
NCCP Regulations	The National Consumer Credit Protection Regulations 2010 (Cth).
Net Collections	This is described in Section 7.5.1.
Net Liquidity Shortfall	This is described in Sections 7.4.3.
Non-Collection Fee	In respect of a Monthly Period means an amount equal to

	the aggregate amount of the Waived Mortgagor Break Costs in respect of that Monthly Period.
Non-PPSA Secured Property	All Secured Property other than any PPSA Secured Property.
Note	This is described in Section 2, 3 and 4.
Noteholder	This is described in Section 2, 3 and 4.
Note Certificate	This is described in Section 4.7.
Note Factor	At any time and in relation to any class of Notes, the Stated Amount of that class of Notes on the last day of the just ended Monthly Period expressed as a percentage of the Stated Amount of that class of Notes at the Closing Date.
Note Transfer	A transfer and acceptance form for the transfer of a Note in an approved form.
Novation Date	This is described in Section 9.1.4.
Offshore Associate	Means an associate (as defined in Section 128F(9) of the Tax Act) of an entity (other than an associate acquiring the Note or an interest in the Note in the capacity of dealer, manager or underwriter in relation to the placement of the Note, or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme), that is either: <ul style="list-style-type: none"> (a) a non resident of Australia that does not acquire the Notes or an interest in the Notes in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or (b) a resident of Australia that acquires the Notes or an interest in the Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.
Other Loans	All loans, credit and financial accommodation (other than a Housing Loan) secured by a mortgage or other collateral security which also secures a Housing Loan.
Overdue Amount	At any given time in relation to a Housing Loan and the Mortgagor in respect of that Housing Loan means the amount calculated as follows: <p>Where:</p> <p>OA = the Overdue Amount;</p> <p>A = the aggregate of all payments of interest and repayments of principal scheduled to</p>

have been made by the Mortgagor at that time in respect of that Housing Loan; and

B = the aggregate of all amounts referred to under A above, actually paid by the Mortgagor in respect of that Housing Loan at that time,

in each case as recorded in the electronic and manual reporting database and record keeping system used by the Servicer to monitor housing loans, as updated and amended from time to time.

Penalty Payments

Any:

- (a) civil or criminal penalty incurred by the Trustee under the Consumer Credit Code or the National Consumer Credit Legislation or Section 11B of the Land Title Act 1994 (QLD);
- (b) money ordered to be paid by the Trustee in relation to any claim against the Trustee under the Consumer Credit Code, the National Consumer Credit Legislation or Section 11B of the Land Title Act 1994 (QLD); or
- (c) payment by the Trustee, with the consent of the Servicer, in settlement of a liability or alleged liability under the Consumer Credit Code, the National Consumer Credit Legislation or Section 11B of the Land Title Act 1994 (QLD),

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 10.2.11.

Performing Loans

This means a Housing Loan which has no Arrears Days or has less than 90 Arrears Days, or if it has Arrears Days of 90 or more days, was mortgage insured under a Mortgage Insurance Policy at the Closing Date (Arrears Days being determined in accordance with the Series Supplement).

Perpetual

Perpetual Trustee Company Limited ABN 42 000 001 007.

Pool Master Policy

This is described in Section 8.1.

PPSA

Personal Properties Securities Act 2009 (Cth).

PPSA Secured Property

All Secured Property which is "personal property" for the purposes of the PPSA.

PPS Register	Means the register of security interests maintained in accordance with the PPSA.
Preparation Date	This is described in Section 1.4.
Prescribed Period	In the case of Housing Loans acquired from the Seller, the period of 120 days (including the last day of the period) from the Closing Date and in relation to a Housing Loan acquired from a Warehouse Trust, the period of 120 days (including the last day of the period) from the date that the loans were first assigned to the relevant Warehouse Trust or such greater period as may be permitted in accordance with Australian Prudential Standard 120 dated January 2013 issued by the Australian Prudential Regulation Authority or any replacement or amended version of that standard.
Prescribed Rating	This is described in Section 9.1.2.
Pricing Date	This is described in Section 2.2.
Principal Collections	This is described in Section 7.5.1.
Principal Draw	This is described in Section 7.4.2.
Privacy Act	The Privacy Act 1988 (Commonwealth).
P.T. Limited	P.T. Limited ABN 67 004 454 666.
QBE LMI	QBE Lenders' Mortgage Insurance Ltd ABN 70 000 511 071.
QBE LMI Policy	This is described in Section 8.4.
QBE LMI Policy No. 1	This is described in Section 8.4.
QBE LMI Policy No. 2	This is described in Section 8.4.
Rated Note Subordination Percentage	This means on any Determination Date the aggregate Invested Amounts of the Class D Notes as at that date expressed as a percentage of the aggregate Invested Amounts of all the Notes as at that date.
Rating Affirmation Notice	In relation to an event or circumstances means a notice in writing from the Manager to the Trustee (and copied to each Rating Agency) confirming that it has notified the Rating Agencies of the event or circumstances and that the Manager is satisfied, following discussions with the Rating Agencies, that the event or circumstances, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Rating Agencies to the Notes.
Rating Agency	S&P and Fitch.
Record Date	This is described in Section 2.2.

Recoveries	Amounts recovered in respect of the principal of a Housing Loan that was part (or the whole) of a Defaulted Amount.
Redraw	A Further Advance made by the Seller in respect of a Housing Loan which does not result in an increase in the Scheduled Balance of that Housing Loan.
Redraw Facility	This is described in Section 9.2.
Redraw Facility Agreement	This is described in Section 14.
Redraw Facility Limit	This is described in Section 9.3.3.
Redraw Facility Provider	Credit Union Australia.
Redraw Principal Outstanding	The aggregate of all advances made under the Redraw Facility less repayments of principal in respect of the Redraw Facility previously made to the Redraw Facility Provider on account of principal.
Register	The register to be kept by the Trustee of the Notes and Units in respect of the Series Trust. The requirements in respect of the Register are described in Section 4.6.
Related Body Corporate	A related body corporate as defined in Section 9 of the Corporations Act.
Relevant Investors	This is described in Section 10.9.1.
Remaining Net Liquidity Shortfall	This is described in Section 7.4.4.
Residential Property	Property that is zoned for residential use by the relevant local council.
S&P	Standard & Poor's (Australia) Pty. Ltd. ABN 62 007 324 852.
S&P Collateralisation Event	<p>This is subsisting in relation to the Hedge Provider or the Standby Swap Provider if:</p> <ul style="list-style-type: none"> (a) Notes rated by S&P are outstanding at that time; (b) the current rating of that entity issued by S&P is lower than the Minimum S&P Uncollateralised Counterparty Rating for: <ul style="list-style-type: none"> (i) (subject to paragraph (ii) below) a period of at least 10 consecutive Business Days; or (ii) a period of at least 20 consecutive Business Days if, within the 10 Business Day period referred to in paragraph (i) above, S&P has received a written plan for posting collateral from

that entity,

or such longer period as is permitted before collateralisation is required in accordance with the relevant S&P criteria; and

- (c) that entity has not already taken one of the actions described in 9.1.3(b)(ii) or 9.1.3(b)(iii) and 9.1.4(b) or 9.1.4(c), as applicable, regardless of whether an S&P Replacement Event has occurred or is subsisting and regardless of whether commercially reasonable efforts have been used to take such actions.

However, if that entity takes the action described in Sections 9.1.3(b)(ii) or 9.1.4(b), as applicable, and the relevant replacement counterparty is an entity which holds a credit rating of at least the Minimum S&P Collateralised Counterparty Rating but not the Minimum S&P Uncollateralised Counterparty Rating, then the periods described in paragraph (b) above do not restart and instead the period to which the replaced party was subject continues.

S&P Replacement Event

This is subsisting in relation to the Hedge Provider or the Standby Swap Provider if:

- (a) Notes rated by S&P are outstanding at that time; and
- (b) the current rating of that entity issued by S&P is not at least equal to the Minimum S&P Collateralised Counterparty Rating.

Scheduled Balance

In respect of a Housing Loan, means the amount that would be owing on the Housing Loan at the date of determination of the Mortgagor had made prior to that date the minimum payments required on that Housing Loan.

Secured Creditors

These are described in Section 9.4.1.

Secured Moneys

The aggregate of all moneys the payment or repayment of which from time to time form part of the obligations and liabilities of the Trustee to the Security Trustee and the Secured Creditors under, arising from or in connection with, the Transaction Documents which are secured under the Security Trust Deed.

Secured Property

All of the present and after acquired property, including undertaking and rights of the Series Trust held by the Trustee from time to time as trustee of the Series Trust, including all Assets of the Series Trust and the benefit of all covenants, agreements, undertakings, representations, warranties and other choses in action in favour of the

	Trustee under the Transaction Documents.
Security	The security interests over the PPSA Secured Property and the Non-PPSA Secured Property granted under the General Security Deed.
Security Trust	The trust created by the Security Trust Deed.
Security Trust Deed	This is described in Section 14.
Security Trustee	P.T. Limited ABN 67 004 454 666.
Senior Secured Money	Any obligation of the Trustee in relation to Secured Moneys: <ul style="list-style-type: none"> (a) owing in respect of the most senior ranking Class of Notes outstanding (determined by reference to the order of priority for the distribution of Total investor Revenues described in Section 7.4.6) and any amounts owing by the Trustee ranking equally or in priority in respect of such Notes; and (b) under the Transaction Documents generally, once no Notes are outstanding.
Seller	Credit Union Australia.
Serial Paydown Conditions	These are described in Section 7.5.5.
Series Supplement	This is described in Section 14.
Series Trust	The trust known as the Series 2015-1 Harvey Trust.
Series Trust Expenses	This is described in Section 7.4.7.
Servicer	The initial Servicer is Credit Union Australia. If Credit Union Australia 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 Collateral Account	This is described in Section 2.5.
Servicer Collateral Amount	This is described in Section 2.5.
Servicing Fee	This is described in Section 10.5.3.
Servicing Guidelines	The written guidelines, policies and procedures established by the Seller for servicing Housing Loans.
Servicing Standards	The standards and practices set out in the Servicing Guidelines, or where a servicing function is not covered by the Servicing Guidelines, the standards of practice of a prudent lender in the business of making retail home loans.

Settlement Statement	The statement prepared on each Determination Date by the Manager in the form agreed between the Manager and the Trustee.
Specified Countries	This is described in Section 12.3.
Standby Swap Provider	NAB.
Stated Amount	<p>The initial face value of a Note or a class of Notes less the sum of:</p> <ul style="list-style-type: none"> (a) the aggregate payments previously made on account of principal to the Noteholder or Noteholders (as the case may be) of that Note or class of Note; and (b) the aggregate amount of unreimbursed Charge-Offs against that Note or class of Note.
Step-up Margin	In respect of the Class A Notes, 0.25% per annum.
Support Facility	Any Hedge Agreement, the Liquidity Facility, the Redraw Facility, the Mortgage Insurance Policies and any standby guarantee.
Swap Costs	<p>The aggregate of:</p> <ul style="list-style-type: none"> (a) any Mortgagor Break Costs which have not been received by the Trustee when due from the Servicer and any Mortgagor Break Costs that are not required to be paid by mortgagors, under the terms of the loan agreement, because the mortgagors are only prepaying the relevant Housing Loan; and (b) any loss, charge, liability or expense that the Hedge Provider under the Fixed Rate Swap sustains or incurs under a swap arrangement (if any) entered into by that Hedge Provider in order to hedge its risk under the Fixed Rate Swap, as the result of: <ul style="list-style-type: none"> (i) the termination of that swap arrangement (excluding any costs that arise as a result of a Hedge Provider Default Event); or (ii) a material breach of its obligations under that swap arrangement by another party to it; <p>in each case to the extent to which the loss, charge, liability or expense has not been met by the counterparty to that swap arrangement (excluding any costs that arise as a result of a</p>

Hedge Provider Default Event) and provided that the loss, charge, liability or expense does not arise as the result of a failure by that Hedge Provider to comply with its obligations under that swap arrangement, or fraud on the part of that Hedge Provider.

The term "swap arrangement" refers to any master swap agreement (to the extent it relates to that swap arrangement), underlying swap arrangement or both of them, and "loss" includes, without limitation, any amount not received by the Hedge Provider in respect of the Fixed Rate Swap under any indemnity thereunder on the due date, irrespective of whether part or all of that amount may later be received but provided that the Hedge Provider must forthwith reimburse the Trustee for such amount to the extent it is later actually received (whereupon the Trustee must pay the amount so received to the Income Unitholder).

TA Act	This is described in Section 12.2.
Tax Act	This is described in Section 1.10.
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.
TFN	Tax File Number.
Threshold Mortgage Rate	This is described in Section 2.6.
Total Expenses	This is described in Section 7.4.6.
Total Investor Revenues	This is described in Section 7.4.6.
Total Principal Collections	These are described in Section 7.5.1.
Total Stated Amount	The aggregate at any given time of the Stated Amounts of the Notes
Transaction Documents	The documents described in Section 14 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 Housing 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 one 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 Perpetual Trustee Company Limited ABN 42 000 001 007. If Perpetual Trustee Company Limited ABN 42 000 001 007 is removed or retires as Trustee, the expression includes any substitute Trustee appointed in its place
Trustee Fee	The monthly fee payable to the Trustee for its trustee services. This is described in Section 10.3.6.
Unit	A Capital Unit or the Income Unit in the Series Trust.
Unitholder	A holder of a Unit in the Series Trust.
Variable Finance Charges	These are described in Section 9.1.2.
Voting Secured Creditors	These are: <ul style="list-style-type: none"> (a) whilst any Notes remain outstanding, the Noteholders of the most senior ranking class of Notes (determined by reference to the order of priority for the distribution of Total Investor Revenues as described in Section 7.4.6), each Hedge Provider and the Liquidity Facility Provider; and (b) otherwise, all then Secured Creditors.
Waived Mortgagor Break Costs	The Mortgagor Break Costs that the Servicer is or was entitled to charge in respect of the Housing Loans but has not charged.
Warehouse Trust	A series trust established under the Master Trust Deed from which the Series Trust acquires Housing Loans.
Warehouse Pool Master Policy	This is described in Section 8.1.
Westpac	Westpac Banking Corporation ABN 33 007 457 141.

Annexure 1 Details of the Mortgage Pool

The following tables summarise the Mortgage Pool as at the close of business on 13 February 2015. Further information regarding the Housing Loans and Credit Union Australia's housing loan business is contained in Section 6.

Final Pool	as at Close of Business	13-Feb-15
Total Current Balance:	\$	746,821,168
Total Number of Loans:		3,128
Total Number Of Consolidated Loans:		3,110
Total Security Valuation:	\$	1,322,104,342
Average Current Balance (of Consolidated Loans):	\$	240,135
Highest Current Balance (of Consolidated Loans):	\$	677,569
Highest Current LVR (of Consolidated Loans):		93.6%
Weighted Average Current LVR (of Consolidated Loans):		63.1%
Weighted Average Approval LVR (of Consolidated Loans):		70.3%
Weighted Average Seasoning:		3.2 yr
Weighted Average Remaining Term:		24.9 yr
Maximum Remaining Term:		29.5 yr
Variable Rate Loans (% by Current Balance):		42.2%
Fixed Rate Loans (% by Current Balance):		57.8%
Interest Only Loans (% by Current Balance):		4.4%
Investment Loans (% by Current Balance):		14.2%
Loans With Non Metropolitan Primary Security (% by Current Balance):		32.6%
Full Documentation Loans (% by Current Balance):		100.0%
Loans in Arrears >30 Days (% by Current Balance):		0.0%

Table 1 - Distribution by Current Loan-to-Valuation Ratio *

Current LVR			Number of Loans		Current Balance		
			#	%	\$		%
>	0%	<= 50%	1,076	34.6%	\$	183,409,224	24.6%
>	50%	<= 55%	265	8.5%	\$	61,930,712	8.3%
>	55%	<= 60%	234	7.5%	\$	56,723,865	7.6%
>	60%	<= 65%	209	6.7%	\$	52,949,160	7.1%
>	65%	<= 70%	286	9.2%	\$	77,918,683	10.4%
>	70%	<= 75%	337	10.8%	\$	97,682,687	13.1%
>	75%	<= 80%	355	11.4%	\$	106,361,190	14.2%
>	80%	<= 85%	111	3.6%	\$	34,353,228	4.6%
>	85%	<= 90%	182	5.9%	\$	58,598,383	7.8%
>	90%	<= 95%	55	1.8%	\$	16,894,037	2.3%
>	95%	<= 100%	0	0.0%	\$	-	0.0%
>	100%		0	0.0%	\$	-	0.0%
Total			3,110	100.0%	\$	746,821,168	100.0%

*: based on consolidated loans

Table 2 - Distribution by Current Outstanding Amount *

Current Outstanding Amount		Number of Loans		Current Balance		
		#	%	\$		%
>	\$ - <= \$ 100,000	289	9.3%	\$	21,632,235	2.9%
>	\$ 100,000 <= \$ 200,000	901	29.0%	\$	139,210,691	18.6%
>	\$ 200,000 <= \$ 300,000	1,057	34.0%	\$	261,857,469	35.1%
>	\$ 300,000 <= \$ 400,000	616	19.8%	\$	210,760,434	28.2%
>	\$ 400,000 <= \$ 500,000	213	6.8%	\$	94,135,526	12.6%
>	\$ 500,000 <= \$ 600,000	25	0.8%	\$	13,508,776	1.8%
>	\$ 600,000 <= \$ 700,000	9	0.3%	\$	5,716,036	0.8%
>	\$ 700,000 <= \$ 800,000	0	0.0%	\$	-	0.0%
>	\$ 800,000 <= \$ 900,000	0	0.0%	\$	-	0.0%
>	\$ 900,000 <= \$ 1,000,000	0	0.0%	\$	-	0.0%
>	\$ 1,000,000 <= \$ 1,250,000	0	0.0%	\$	-	0.0%
>	\$ 1,250,000 <= \$ 1,500,000	0	0.0%	\$	-	0.0%
>	\$ 1,500,000	0	0.0%	\$	-	0.0%
Total		3,110	100.0%	\$	746,821,168	100.0%

*: based on consolidated loans

Table 3 - Distribution by Seasoning

Seasoning (in years)			Number of Loans		Current Balance		
			#	%	\$		%
>=	0	<= 1	191	6.1%	\$	51,166,972	6.9%
>	1	<= 2	580	18.5%	\$	141,563,977	19.0%
>	2	<= 3	765	24.5%	\$	189,280,212	25.3%
>	3	<= 4	532	17.0%	\$	123,196,875	16.5%
>	4	<= 5	585	18.7%	\$	145,084,964	19.4%
>	5	<= 6	208	6.6%	\$	45,393,421	6.1%
>	6	<= 7	118	3.8%	\$	23,507,714	3.1%
>	7	<= 10	128	4.1%	\$	24,390,440	3.3%
>	10	<= 15	21	0.7%	\$	3,236,594	0.4%
>	15	<= 20	0	0.0%	\$	-	0.0%
>	20	<= 25	0	0.0%	\$	-	0.0%
>	25	<= 30	0	0.0%	\$	-	0.0%
>	30		0	0.0%	\$	-	0.0%
Total			3,128	100.0%	\$	746,821,168	100.0%

Table 4 - Distribution by Remaining Loan Term

Remaining Loan Term (in years)			Number of Loans		Current Balance	
			#	%	\$	%
>	0	<= 5	7	0.2%	\$ 553,088	0.1%
>	5	<= 10	70	2.2%	\$ 7,330,362	1.0%
>	10	<= 15	161	5.1%	\$ 23,960,578	3.2%
>	15	<= 20	278	8.9%	\$ 49,292,468	6.6%
>	20	<= 25	723	23.1%	\$ 163,740,978	21.9%
>	25	<= 30	1,889	60.4%	\$ 501,943,692	67.2%
>	30		0	0.0%	\$ -	0.0%
Total			3,128	100.0%	\$ 746,821,168	100.0%

Table 5 - Distribution by Loan Product

Loan Product	Number of Loans		Current Balance	
	#	%	\$	%
Variable Rate	1,326	42.4%	\$ 314,821,904	42.2%
Fixed Rate 1 year	38	1.2%	\$ 7,783,282	1.0%
Fixed Rate 2 year	73	2.3%	\$ 14,736,299	2.0%
Fixed Rate 3 year	1,560	49.9%	\$ 382,221,055	51.2%
Fixed Rate 4 year	0	0.0%	\$ -	0.0%
Fixed Rate 5 year	131	4.2%	\$ 27,258,629	3.6%
Total	3,128	100.0%	\$ 746,821,168	100.0%

Table 6 - Distribution by Fixed Rate Period Remaining

Fixed Rate Period Remaining (in years)			Number of Loans		Current Balance	
			#	%	\$	%
>	0	<= 1	521	16.7%	\$ 122,473,554	16.4%
>	1	<= 2	749	23.9%	\$ 181,605,355	24.3%
>	2	<= 3	450	14.4%	\$ 110,073,160	14.7%
>	3	<= 4	50	1.6%	\$ 10,635,359	1.4%
>	4	<= 5	32	1.0%	\$ 7,211,836	1.0%
>	5		0	0.0%	\$ -	0.0%
Variable Rate			1,326	42.4%	\$ 314,821,904	42.2%
Total			3,128	100.0%	\$ 746,821,168	100.0%

Table 7 - Distribution by Repayment Type

Repayment Type	Number of Loans		Current Balance	
	#	%	\$	%
Interest Only	111	3.5%	\$ 33,112,747	4.4%
Principal & Interest	3,017	96.5%	\$ 713,708,421	95.6%
Total	3,128	100.0%	\$ 746,821,168	100.0%

Table 8 - Distribution by Borrower Type

Repayment Type	Number of Loans		Current Balance	
	#	%	\$	%
Owner Occupied	2,692	86.1%	\$ 641,114,731	85.8%
Investment	436	13.9%	\$ 105,706,438	14.2%
Total	3,128	100.0%	\$ 746,821,168	100.0%

Table 9 - Distribution by LMI

LMI	Number of Loans		Current Balance	
	#	%	\$	%
Genworth	80	2.6%	\$ 22,594,209	3.0%
QBE	2,601	83.2%	\$ 608,487,909	81.5%
Pool LMI *	447	14.3%	\$ 115,739,050	15.5%
Total	3,128	100.0%	\$ 746,821,168	100.0%

*: Pool insurance with QBE

Table 10 - Geographic Distribution by Area

Area	Number of Loans		Current Balance	
	#	%	\$	%
Inner city	4	0.1%	\$ 971,934	0.1%
Metro	2,001	64.0%	\$ 502,711,007	67.3%
Non-metro	1,123	35.9%	\$ 243,138,227	32.6%
Total	3,128	100.0%	\$ 746,821,168	100.0%

Table 11 - Geographic Distribution by State

State	Number of Loans		Current Balance	
	#	%	\$	%
NSW	864	27.6%	\$ 221,103,701	29.6%
QLD	1,411	45.1%	\$ 327,569,968	43.9%
VIC	683	21.8%	\$ 155,656,645	20.8%
WA	123	3.9%	\$ 30,642,698	4.1%
SA	15	0.5%	\$ 3,568,272	0.5%
NT	1	0.0%	\$ 213,926	0.0%
TAS	4	0.1%	\$ 510,884	0.1%
ACT	27	0.9%	\$ 7,555,074	1.0%
Other	0	0.0%	\$ -	0.0%
Total	3,128	100.0%	\$ 746,821,168	100.0%

Table 12 - Top 10 Postcodes

Postcode	Number of Loans		Current Balance	
	#	%	\$	%
4034	34	1.1%	\$ 8,437,388	1.1%
4680	25	0.8%	\$ 7,560,668	1.0%
4670	38	1.2%	\$ 7,329,422	1.0%
4350	35	1.1%	\$ 6,888,150	0.9%
2530	33	1.1%	\$ 6,645,687	0.9%
3030	29	0.9%	\$ 6,582,143	0.9%
2560	30	1.0%	\$ 6,529,406	0.9%
4152	24	0.8%	\$ 6,116,469	0.8%
2527	24	0.8%	\$ 6,015,813	0.8%
4053	21	0.7%	\$ 5,889,336	0.8%
Sub Total	293	9.4%	\$ 67,994,484	9.1%

DIRECTORY

Credit Union Australia

Credit Union Australia Ltd
Level 23
145 Ann Street
Brisbane QLD 4000

Manager

CUA Financial Planning Pty Ltd
Level 23
145 Ann Street
Brisbane QLD 4000

Trustee

Perpetual Trustee Company Limited
Level 12
123 Pitt Street
Sydney NSW 2000

Security Trustee

P.T. Limited
Level 12
123 Pitt Street
Sydney NSW 2000

Arranger and Joint Lead Manager

Deutsche Bank AG, Sydney Branch
Level 16, Deutsche Bank Place
Cnr Hunter and Phillip Streets
Sydney NSW 2000

Joint Lead Manager

National Australia Bank Limited
Level 26, 255 George Street
Sydney NSW 2000

Joint Lead Manager

Westpac Banking Corporation
Level 3, Kent Tower
275 Kent Street
Sydney NSW 2000

Solicitors to Credit Union Australia and the Manager

Clayton Utz
1 Bligh St
Sydney NSW 2000