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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

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THIS ELECTRONIC TRANSMISSION IS ONLY BEING DISTRIBUTED TO AND IS DIRECTED ONLY AT PERSONS (A) WHO ARE OUTSIDE OF THE UNITED KINGDOM OR (B) WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE INVESTMENT PROFESSIONALS WITHIN THE MEANING OF ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**FPO**") OR (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC") OF THE

FPO OR (C) ARE PERSONS TO WHOM THIS ELECTRONIC TRANSMISSION MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THE INFORMATION IN THIS ELECTRONIC TRANSMISSION MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE INFORMATION IN THIS ELECTRONIC TRANSMISSION RELATES, INCLUDING THE NOTES, IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

**Confirmation of your Representation:** In order to be eligible to view this Supplemental Information Memorandum or make an investment decision with respect to the Class A1-R Notes, investors must be non-U.S. persons outside of the U.S. (within the meaning of Regulation S under the Securities Act). This Supplemental Information Memorandum is being sent at your request and by accepting the e-mail and accessing this Supplemental Information Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are not a U.S. person and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and (2) that you consent to delivery of such Supplemental Information Memorandum by electronic transmission.

You are reminded that this Supplemental Information Memorandum has been delivered to you on the basis that you are a person into whose possession this Supplemental Information Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Supplemental Information Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Lead Manager (as defined below) or any affiliates of the Lead Manager are licensed brokers or dealers in that jurisdiction, the offering shall be deemed to be made by the Lead Manager or any such affiliates, on behalf of the Trustee in such jurisdiction.

This Supplemental Information Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Commonwealth Bank of Australia (as the "**Lead Manager**") or any person who controls any of them or any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Supplemental Information Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Lead Manager.

# Medallion Trust

## Medallion Trust Series 2019-1
## Supplemental Information Memorandum

**A$342,300,000**

**Mortgage Backed Secured Pass Through Floating Rate Class A1-R Notes due January 2052**

*Ratings*
*"AAA(sf)" by S&P Global Ratings Australia Pty Ltd*
*"AAAsf" by Fitch Australia Pty Ltd*

**Arranger, Bookrunner, Lead Manager and Structural Advisor**
**Commonwealth Bank of Australia**

ABN 48 123 123 124

**21 November 2024**

**No Guarantee by Commonwealth Bank of Australia**

The Class A1-R Notes do not represent deposits or other liabilities of Commonwealth Bank of Australia (ABN 48 123 123 124) ("**Commonwealth Bank of Australia**") or any other member of the Commonwealth Bank of Australia group. None of Commonwealth Bank of Australia, Securitisation Advisory Services Pty Limited ABN 88 064 133 946 (the "**Manager**") or any other member of the Commonwealth Bank of Australia group guarantees the payment or repayment or the return of any principal invested in, or any particular rate of return on, the Class A1-R 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 Commonwealth Bank of Australia or any other member of the Commonwealth Bank of Australia group.

**Purpose of this Supplemental Information Memorandum**

This Supplemental Information Memorandum relates solely to a proposed issue of A$342,300,000 Class A1-R Notes by Perpetual Trustee Company Limited (ABN 42 000 001 007) (the "**Trustee**") in its capacity as trustee of the Medallion Trust Series 2019-1 (the "**Series Trust**") on 21 November 2024. It is not relevant for any other purpose.

This Supplemental Information Memorandum should be read in conjunction with the information memorandum relating to the Medallion Trust Series 2019-1 dated 5 December 2019 (the "**Base Information Memorandum**"), which is attached to this Supplemental Information Memorandum and, except as updated by this Supplemental Information Memorandum, is incorporated in its entirety in this Supplemental Information Memorandum and each reference to the term "Information Memorandum" in the Base Information Memorandum shall be taken to mean the Base Information Memorandum as updated by this Supplemental Information Memorandum. To the extent of any inconsistency between the Base Information Memorandum and this Supplemental Information Memorandum, this Supplemental Information Memorandum will prevail.

**The Class A1-R Notes are subject to Investment Risk**

The holding of the Class A1-R Notes is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

**US Selling Restrictions**

The Class A1-R Notes have not been and will not be registered under the Securities Act and unless so registered may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Class A1-R Notes are being offered and sold only to persons (other than United States persons) outside the United States pursuant to Regulation S and the Securities Act. For a description of certain further restrictions on offers, transfers and sales of the Class A1-R Notes and the distribution of this Supplemental Information Memorandum, see Section 1 (*"Important Notice"*), Section 2.13(a) ("*Miscellaneous*") and Section 13 ("*Selling Restrictions*") of this Supplemental Information Memorandum below.

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# 1 Important notice

## 1.1 Base Information Memorandum

This Supplemental Information Memorandum must be read only in conjunction with the Base Information Memorandum. See the section entitled "*Purpose of this Supplemental Information*" on page 2 of this Supplemental Information Memorandum.

## 1.2 Terms

References in this Supplemental Information Memorandum to various documents are explained in Section 9 (*"Transaction Documents*") of this Supplemental Information Memorandum. Unless defined elsewhere, all other terms are defined in the Glossary in Section 17 (*"Glossary"*) of the Base Information Memorandum. Section 17 (*"Glossary"*) of the Base Information Memorandum should be referred to in conjunction with any review of this Supplemental Information Memorandum.

## 1.3 Interpretation – references to the Notes

On 5 December 2019 (the "**Closing Date**"), the Trustee issued:

- A$1,380,000,000 floating rate Class A1 Notes;
- A$57,000,000 floating rate Class A2 Notes;
- A$27,000,000 floating rate Class B Notes;
- A$16,500,000 floating rate Class C Notes;
- A$7,500,000 floating rate Class D Notes;
- A$6,000,000 floating rate Class E Notes; and
- A$6,000,000 floating rate Class F Notes.

The terms on which those Notes were issued are described in the Base Information Memorandum and summarised in Section 2.2 ("*Summary of the Notes*") of this Supplemental Information Memorandum. No Class A1-R Notes have been issued prior to the date of this Supplemental Information Memorandum and the Class A1-R Notes were not offered pursuant to the Base Information Memorandum. However, for the purposes of this Supplemental Information Memorandum only, references in the Base Information Memorandum to the "Notes" offered pursuant to the Base Information Memorandum shall, except as the context otherwise requires, be taken to include a reference to the Class A1-R Notes.

## 1.4 Summary Only

This Supplemental Information Memorandum is only a summary of the terms and conditions of the Class A1-R Notes and the Series Trust and is to assist each recipient to decide whether it will undertake its own further independent investigation of the Class A1-R Notes. This Supplemental Information Memorandum does not purport to contain all the information a person considering subscribing for or purchasing the Class A1-R Notes may require. Accordingly, this Supplemental Information Memorandum should not be relied upon by intending subscribers or purchasers of the Class A1-R

Notes. Intending subscribers or purchasers of the Class A1-R Notes should review the Transaction Documents which contain the definitive terms relating to the Series Trust and the transactions connected therewith. If there is any inconsistency between this Supplemental Information Memorandum and the Transaction Documents, the Transaction Documents should be regarded as containing the definitive information.

This Supplemental Information Memorandum must be read together with the Base Information Memorandum.

This Supplemental Information Memorandum should not be construed as an offer or invitation to any person to subscribe for or buy the Class A1-R Notes and must not be relied upon by intending subscribers or purchasers of Class A1-R Notes. In addition, this Supplemental Information Memorandum should not be construed as an offer or invitation to any person to subscribe for or buy any other Notes issued by the Trustee as trustee of the Series Trust.

It should not be assumed that the information contained in this Supplemental 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 Class A1-R Notes even if this Supplemental Information Memorandum is circulated in conjunction with such an offer or invitation.

## 1.5 Limited Responsibility for Information

The Manager has prepared and authorised the distribution of this Supplemental Information Memorandum, has accepted sole responsibility for the information contained in it and to the best of its knowledge and belief the information contained in this Supplemental Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of Commonwealth Bank of Australia, the Trustee or P.T. Limited ABN 67 004 454 666 including in its capacity as trustee of the Security Trust (the "**Security Trustee**") have authorised, caused the issue of, or have (and expressly disclaim) any responsibility for, or made any statement in, any part of this Supplemental Information Memorandum. Furthermore, none of Perpetual Trustee Company Limited, the Trustee, P.T. Limited or the Security Trustee has had any involvement in the preparation of any part of this Supplemental Information Memorandum (other than where parts of this Supplemental Information Memorandum contain particular references to Perpetual Trustee Company Limited or P.T. Limited in their corporate capacity). Whilst the Manager believes the statements made in this Supplemental Information Memorandum are accurate, neither it nor Commonwealth Bank of Australia, Perpetual Trustee Company Limited, the Trustee, P.T. Limited, the Security Trustee 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 Supplemental Information Memorandum or in any previous, accompanying or subsequent material or presentation.

No recipient of this Supplemental 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 Supplemental Information Memorandum.

## 1.6 Date of this Supplemental Information Memorandum

This Supplemental Information Memorandum has been prepared as at 21 November 2024 (the "**Preparation Date**"), based on information available and facts and circumstances known to the Manager at that time.

Neither the delivery of this Supplemental Information Memorandum, nor any offer or issue of any Class A1-R 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 Trust, the Trustee, Commonwealth Bank of Australia, the Manager or any other party named in this Supplemental Information Memorandum; or

(b) the information contained in this Supplemental Information Memorandum is correct at such later time.

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

Neither the Manager, Commonwealth Bank of Australia nor any other person accepts any responsibility to Noteholders or prospective Noteholders to update this Supplemental Information Memorandum after the Preparation Date with regard to information or circumstances which come to its attention after the Preparation Date.

## 1.7 Independent Investment Decisions

This Supplemental Information Memorandum is not intended to be, and does not constitute, a recommendation by the Manager, the Trustee, Perpetual Trustee Company Limited, Commonwealth Bank of Australia, P.T. Limited or the Security Trustee that any person subscribe for or purchase any Class A1-R Note. Accordingly, any person contemplating the subscription or purchase of any Class A1-R Note must:

(a) make their own independent investigation of the terms of the Class A1-R Notes (including reviewing the Transaction Documents) and the financial condition, affairs and creditworthiness of the Series Trust, after taking all appropriate advice from qualified professional persons; and

(b) base any investment decision on the investigation and advice referred to in paragraph (a) and not on this Supplemental Information Memorandum.

## 1.8 Authorised Material

No person is authorised to give any information or to make any representation which is not contained in this Supplemental Information Memorandum and any information or representation not contained in this Supplemental Information Memorandum must not be relied upon as having been authorised by or on behalf of Commonwealth Bank of Australia or the Manager.

## 1.9 Distribution of this Supplemental Information Memorandum

This Supplemental 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 Class A1-R Notes. This Supplemental 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.

The distribution of this Supplemental Information Memorandum and the offering or invitation to subscribe for or buy the Class A1-R Notes in certain jurisdictions may be restricted by law. No action has been taken or will be taken which would permit the distribution of this Supplemental Information Memorandum or the offer or invitation to subscribe for or buy the Class A1-R Notes in any jurisdiction where action for that purpose is required.

**The Class A1-R Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The Class A1-R Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.**

**The Class A1-R Notes are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in the Monetary Authority of Singapore (MAS) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).**

## 1.10 Issue Not Requiring Disclosure to Investors under the Corporations Act

This Supplemental Information Memorandum is not a "Prospectus" for the purposes of Chapter 6D of the Corporations Act or a "Product Disclosure Statement" for the purposes of Chapter 7 of the Corporations Act and is not required to be lodged with the Australian Securities and Investments Commission under the Corporations Act as 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 Class A1-R Notes to a person under this Supplemental Information Memorandum:

(a) will be for a minimum amount payable (after disregarding any amount lent by the person offering the Class A1-R 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 if the offer or application (as the case may be) is at least A$500,000 (calculated in accordance with both section 708(9) of the Corporations Act and regulation 7.1.18 of the Corporations Regulations 2001);

(b) is made to a professional investor for the purposes of section 708 of the Corporations Act; or

(c) does not otherwise require disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act and is not made to a Retail Client.

No action has been taken or will be taken which would permit a public offering of the Class A1-R Notes, or possession or distribution of this Supplemental Information Memorandum, in any country or jurisdiction where action for that purpose is required.

A person may not (directly or indirectly) offer for issue or sale, or make any invitation to apply for the issue or to purchase, the Class A1-R Notes nor distribute this Supplemental Information Memorandum except if the offer or invitation:

(i) does not need disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act;

(ii) is not made to a Retail Client; and

(iii) complies with any other applicable laws in all jurisdictions in which the offer or invitation is made.

## 1.11 Australian Interest Withholding Tax

Division 11A of Part III of the Australian Tax Act (as defined in Section 11 ("*Taxation considerations*") of this Supplemental Information Memorandum) imposes Australian interest withholding tax at a rate of 10% of the gross amount of interest paid on debentures (such as the Class A1-R Notes) to a non-resident of Australia (other than a non-resident holding the debentures in carrying on business at or through a permanent establishment in Australia) or an Australian resident holding the debentures in carrying on business at or through a permanent establishment outside Australia unless a relevant exemption is available. For these purposes, interest is defined in section 128A(1AB) of the Australian Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts.

Under present law, interest and other amounts paid on debentures will not be subject to Australian interest withholding tax if they are issued in accordance with certain prescribed conditions set out in section 128F of the Australian Tax Act and they are not acquired directly or indirectly by certain offshore associates of the Trustee or Commonwealth Bank of Australia, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant debt securities, or a clearing house, custodian, funds manager or responsible entity of a registered scheme (as defined in the Corporations Act) ("**Offshore Associate**").

It is intended that the Class A1-R Notes will be offered, and interest will be paid from time to time, in a manner which satisfies the exemption from Australian interest withholding tax contained in section 128F of the Australian Tax Act. The Lead Manager has undertaken not to offer a Class A1-R Note if that Lead Manager knew, or had reasonable grounds to suspect, that the Class A1-R Note or an interest in the Class A1-R Note was being or would be acquired by such an Offshore Associate of the Trustee or Commonwealth Bank of Australia.

## 1.12 Disclosure of Interests

Commonwealth Bank of Australia, Perpetual Trustee Company Limited, in its individual capacity, as Trustee and as trustee of any trust, P.T. Limited, in its individual capacity, as Security Trustee and as trustee of any trust, discloses that, in addition to the arrangements and interests it will or may have with respect to any other party to a Transaction Document including without limitation the Trustee, the Security Trustee, the Manager, the Seller, the Servicer, the Liquidity Facility Provider and the Interest Rate Swap Provider (together, the "**Transaction Parties**") as described in this Supplemental Information Memorandum (the "**Transaction Document Interests**"), it, its related entities (as such term is defined in the Corporations Act) (the "**Related Entities**"), directors, officers and employees:

(a) may have pecuniary or other interests in the Class A1-R Notes and they may also have interests pursuant to other arrangements; and

(b) will receive fees, brokerage and commissions or other benefits, and may act as principal in any dealing in the Class A1-R Notes,

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

Each purchaser of Class A1-R Notes acknowledges these disclosures and further acknowledges and agrees that:

(i) each party and each of their Related Entities, directors, officers and employees (each a "**Relevant Entity**") will or may from time to time have the Transaction Document Interests and may from time to time have the Note Interests and is, and from time to time may be, involved in a broad range of transactions including, without limitation, 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 any Transaction Party or any other person, both on the Relevant Entity's own account and/or for the account of other persons (the "**Other Transaction Interests**");

(ii) each Relevant Entity may purchase the Class A1-R Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Class A1-R Notes at the same time as the offer and sale of the Class A1-R Notes or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any offering, sale or resale of the Class A1-R Notes to which this Supplemental Information Memorandum relates;

(iii) each Relevant Entity in the course of its business (whether with respect to the Transaction Document Interests, Note Interests, the Other Transaction Interests or otherwise) may act independently of any other Relevant Entity;

(iv) to the maximum extent permitted by applicable law, no Relevant Entity has any duties or liabilities (including, without limitation, any advisory or fiduciary duty) to any person other than any contractual obligations of the parties to the Relevant Entity as set out in the Transaction Documents and in the case of the Trustee its fiduciary duties in respect of the Series Trust and in the case of the Security Trustee its fiduciary duties in respect of the Security Trust;

(v) a Relevant Entity may have or come into possession of information not contained in this Supplemental Information Memorandum that may be relevant to any decision by a potential investor to acquire the Class A1-R Notes and which may or may not be publicly available to potential investors ("**Relevant Information**");

(vi) to the maximum extent permitted by applicable law but subject to the Transaction Documents, no Relevant Entity is under any obligation to disclose any Relevant Information to any Transaction Party or to any potential investor and this Supplemental 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 or that any information in this Supplemental Information or otherwise is up to date; and

(vii) each Relevant Entity may have various potential and actual conflicts of interest arising in the course of its business, including in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests. For example, the exercise of rights against a Transaction Party arising from the Transaction Document Interests (for example, by the Lead Manager or a Support Facility Provider) or from an Other Transaction may affect the ability of the Transaction Party to perform its obligations in respect of the Notes. In addition, the existence of a Transaction Document Interest, Note 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 a Transaction Party, a potential investor or a Noteholder, and a Transaction Party, a potential investor or a 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, potential investors or a Transaction Party and the Relevant Entities may in so doing act without notice to, and without regard to, the interests of any such person.

## 1.13 Limited Recovery

Any obligation or liability of the Trustee arising under or in any way connected with the Class A1-R 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 personal 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 repayments of principal on the Class A1-R Notes.

None of Commonwealth Bank of Australia, the Manager, the Trustee or the Security Trustee guarantees the success of the Class A1-R 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 Class A1-R Notes, nor do they make any statement (including, without limitation, any representation) with respect to income tax or other taxation consequences of any subscription, purchase or holding of the Class A1-R Notes or the receipt of any amounts thereunder.

## 1.14 Australian Financial Services Licence of Perpetual Trustee Company Limited

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

## 1.15 Securitisation Regulation Rules

European Union ("**EU**") legislation comprising Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation and amending certain other EU directives and regulations (as amended, the "**EU Securitisation Regulation**") is directly applicable in member states of the EU and will be applicable in any non-EU states of the European Economic Area (the "**EEA**") in which it has been implemented. The EU Securitisation Regulation, together with all relevant implementing regulations in relation thereto, all regulatory and/or implementing technical standards in relation thereto or applicable in relation thereto pursuant to any transitional arrangements made pursuant to the EU Securitisation Regulation and, in each case, any relevant guidance and directions published in relation thereto by the European Banking Authority (the "**EBA**"), the European Securities and Markets Authority (the "**ESMA**") and the European Insurance and Occupational Pensions Authority (or in each case, any predecessor or any other applicable regulatory authority) or by the European Commission (in each case, as amended and in effect from time to time, the "**EU Securitisation Regulation Rules**") impose certain restrictions and obligations with regard to securitisations (as such term is defined for purposes of the EU Securitisation Regulation).

It should be noted that some legislative measures necessary for the full implementation of the EU Securitisation Regulation regime have not yet been finalised and compliance with certain requirements may be subject to the application of transitional provisions. In addition, further amendments are expected to be introduced to the EU Securitisation Regulation regime as a result of its periodic wider review. In this regard, it should be noted that in October 2024 the European Commission published a consultation on various policy options for the wide reforms to the prudential and non-prudential regulation of securitisation ("**EC Consultation**"), including, among other things, reforms aimed at potentially reducing the regulatory burden in relation to the investor due diligence and transparency requirements under the EU Securitisation Regulation. It is expected that later in 2025, this consultation will be followed by the publication of a package of legislative amendments by the European Commission, followed by the negotiation of this package of reforms with the European Parliament and the Council of the European Union. Furthermore, the ESMA is expected before the end of 2024 to confirm the outcome of its 2023 consultation on the review of the EU reporting templates. However, any progress with the amendments to the EU reporting templates by ESMA will be impacted by and will be subject to the outcome of the EC Consultation and how reforms to the EU Securitisation Regulation are taken forward (note in particular that, among other things, the EC Consultation is seeking specific feedback on three different options on reforms to the reporting requirements). When such reforms will be finalised and become applicable and whether such reforms will benefit the parties to this transaction and/or the Notes remains to be seen.

With respect to the United Kingdom ("**UK**"), following the UK's withdrawal from the EU at the end of 2020, the EU Securitisation Regulation as it forms part of the domestic laws of the United Kingdom by operation of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**") and as amended by the Securitisation (Amendment) (EU Exit) Regulations 2019 (and as further amended from time to time, the "**UK Securitisation Regulation**") became applicable in the UK largely mirroring (with some adjustments) the EU Securitisation Regulation as it applied in the EU at the end of 2020. However, from 1 November 2024, the UK Securitisation Regulation regime is revoked and replaced with a new recast regime introduced under the Financial Services and Markets Act 2000, as amended (the

"**FSMA**") and related thereto (i) the Securitisation Regulations 2024 (SI 2024/102), as amended (the "**2024 UK SR SI**"); as well as (ii) the Securitisation Part of the Prudential Regulation Authority (the "**PRA**") Rulebook (the "**PRA Securitisation Rules**") and the securitisation sourcebook (the "**SECN**") of the Financial Conduct Authority (the "**FCA**") Handbook (collectively, the "**UK Securitisation Framework**"). The UK Securitisation Framework applies to this transaction. It is expected that, in the second half of 2025, the UK government, the PRA and the FCA will consult on some amendments to the requirements applicable under the UK Securitisation Framework including, but not limited to, amendments to the investor due diligence, risk retention, transparency and reporting requirements. Therefore, at this stage, not all the details are known on the implementation of the UK Securitisation Framework.

Please note that some divergence between the EU and UK regimes exists already. While the UK Securitisation Framework brings some alignment with the EU regime, it also introduces new points of divergence and the risk of further divergence between the EU and UK regimes cannot be ruled out in the longer term as it is not known at this stage how the ongoing reforms or any future reforms will be finalised and implemented in the UK or the EU.

Investors in the Class A1-R Notes are responsible for analysing their own regulatory position and are encouraged to consult with their own investment and legal advisors regarding compliance with the EU Securitisation Regulation and the UK Securitisation Framework and the suitability of the Class A1-R Notes for investment.

***EU Investor Requirements***

Article 5 of the EU Securitisation Regulation places certain conditions (the "**EU Investor Requirements**") on investments in securitisations (as defined in the EU Securitisation Regulation) by "institutional investors" defined in the EU Securitisation Regulation to include: (a) a credit institution or an investment firm as defined in and for purposes of Regulation (EU) No 575/2013, as amended, known as the Capital Requirements Regulation (the "**EU CRR**"), (b) an insurance undertaking or a reinsurance undertaking as defined in Directive 2009/138/EC, as amended, known as Solvency II, (c) an alternative investment fund manager ("**AIFM**") as defined in Directive 2011/61/EU that manages or markets alternative investment funds in the EU, (d) an undertaking for collective investment in transferable securities ("**UCITS**") management company, as defined in Directive 2009/65/EC, as amended, known as the UCITS Directive, or an internally managed UCITS, which is an investment company that is authorised in accordance with that Directive and has not designated such a management company for its management, and (e) with certain exceptions an institution for occupational retirement provision falling within the scope of Directive (EU) 2016/2341, or an investment manager or an authorised entity appointed by such an institution for occupational retirement provision as provided in that Directive. Pursuant to Article 14 of the EU CRR, the EU Investor Requirements also apply to investments by certain consolidated affiliates, wherever established or located, of institutions regulated under the EU CRR (such affiliates, together with all such institutional investors, "**EU Affected Investors**").

The EU Investor Requirements apply to investments by EU Affected Investors regardless of whether any party to the relevant securitisation is subject to any EU Transaction Requirement (as defined below).

The EU Investor Requirements provide that, prior to investing in (or otherwise holding an exposure to) a "securitisation position" (as defined in the EU

Securitisation Regulation), an EU Affected Investor, other than the originator, sponsor or original lender (each as defined in the EU Securitisation Regulation) must, among other things: (a) verify that, where the originator or original lender is established in a third country (that is, not within the EU or the EEA), the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness, (b) verify that, if the originator, the original lender or the sponsor is established in a third country (that is, not within the EU or the EEA, the originator, the original lender or the sponsor retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5%, determined in accordance with Article 6 of the EU Securitisation Regulation, and discloses the risk retention to EU Affected Investors, (c) verify that the originator, sponsor or securitisation special purpose entity ("**SSPE**") has, where applicable, made available the information required by Article 7 of the EU Securitisation Regulation (which sets out transparency requirements for originators, sponsors and SSPEs) in accordance with the frequency and modalities provided for in Article 7, and (d) carry out a due-diligence assessment in accordance with the EU Securitisation Regulation Rules which enables the EU Affected Investor to assess the risks involved, considering at least (i) the risk characteristics of the securitisation position and the underlying exposures, and (ii) all the structural features of the securitisation that can materially impact the performance of the securitisation position.

In addition, the EU Investor Requirements oblige each EU Affected Investor, while holding a securitisation position, to (a) establish appropriate written procedures in order to monitor, on an ongoing basis, its compliance with the foregoing requirements and the performance of the securitisation position and of the underlying exposures, (b) regularly perform stress tests on the cash flows and collateral values supporting the underlying exposures, (c) ensure internal reporting to its management body to enable adequate management of material risks, and (d) be able to demonstrate to its regulatory authorities that it has a comprehensive and thorough understanding of the securitisation position and its underlying exposures and has implemented written policies and procedures for managing risks of the securitisation position and maintaining records of the foregoing verifications and due diligence and other relevant information.

It remains unclear what is and will be required for EU Affected Investors to demonstrate compliance with certain aspects of the EU Investor Requirements.

If any EU Affected Investor fails to comply with the EU Investor Requirements with respect to an investment in the Notes offered by this Supplemental Information Memorandum, it may be subject (where applicable) to a penalty regulatory capital charge with respect to any securitisation position acquired by it or on its behalf, and it may be subject to other regulatory sanctions by the competent authority of such EU Affected Investor or may be required to take corrective action. The EU Securitisation Regulation Rules and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of an EU Affected Investor and have an adverse impact on the value and liquidity of the Notes offered by this Supplemental Information Memorandum. Prospective investors should analyse their own regulatory position, and should consult with their own investment and legal advisors regarding application of, and compliance with, the EU Securitisation Regulation Rules or other applicable regulations and the suitability of the Notes for investment.

***UK Investor Requirements***

Under the UK Securitisation Framework, there are different sources prescribing the requirements relating to institutional investor due diligence: (i) for the PRA-regulated firms, these are set out in Article 5 of Chapter 2 of the PRA Securitisation Rules (the "**PRA Due Diligence Rules**"); (ii) for an occupational pension scheme as defined in section 1(1) of the Pension Schemes Act 1993 that has its main administration in the UK (the "**OPS**"), these are set out in regulations 32B, 32C and 32D of the 2024 UK SR SI (the "**OPS Due Diligence Rules**"); and (iii) for all other types of UK institutional investor, these are set out in SECN 4 (the "**FCA Due Diligence Rules**" and, collectively with the PRA Due Diligence Rules and the OPS Due Diligence Rules, the "**UK Due Diligence Rules**"). The UK Due Diligence Rules mirrors Article 5 of the EU Securitisation Regulation described above, but with some material differences (the UK Due Diligence Rules together with the EU Investor Requirements, the "**Investor Requirements**"). As in the EU, the UK Due Diligence Rules require that certain matters must be verified and assessed prior to holding a securitisation position and that certain due diligence must be carried out on an ongoing basis while holding the securitisation position. The "institutional investors" are defined in the UK Securitisation Framework to include: (a) an insurance undertaking as defined in section 417(1) of the FSMA; (b) a reinsurance undertaking as defined in section 417(1) of the FSMA; (c) an OPS, or a fund manager of such a scheme appointed under section 34(2) of the Pensions Act 1995 that, in respect of activity undertaken pursuant to that appointment, is authorised for the purposes of section 31 of FSMA; (d) an AIFM as defined in regulation 4(1) of the Alternative Investment Fund Managers Regulations 2013 (the "**UK AIFMR**") (i) with permission under Part 4A of FSMA in respect of the activity specified by article 51ZC of the Regulated Activities Order (managing an AIF); and (ii) which markets or manages AIFs (as defined in regulation 3 of the AIFMR) in the UK and for the purposes of (ii), an AIFM markets an AIF when the AIFM makes a direct or indirect offering or placement of units or shares of an AIF managed by it to or with an investor domiciled or with a registered office in the UK, or when another person makes such an offering or placement at the initiative of, or on behalf of, the AIFM; (e) a small registered UK AIFM as defined in Regulation 2(1) of the UK AIFMR; (f) a management company as defined in section 237(2) of FSMA; (g) a UCITS as defined by section 236A of FSMA, which is an authorised open ended investment company as defined in section 237(3) of FSMA; (h) a CRR firm as defined by Article 4(1)(2A) of Regulation (EU) No 575/2013, as it forms part of the laws of the UK ("**UK CRR**"); and (i) an FCA investment firm as defined by Article 4(1)(2AB) of the UK CRR. The UK Due Diligence Rules also apply to investments by certain consolidated affiliates, wherever established or located, of entities regulated under the UK CRR (such affiliates, together with all such institutional investors, "**UK Affected Investors**" and, together with EU Affected Investors, "**Affected Investors**").

The UK Due Diligence Rules apply to investments by UK Affected Investors regardless of whether any party to the relevant securitisation is subject to any UK Transaction Requirements.

Material divergence between the UK Due Diligence Rules and the EU Investor Requirements mentioned above concerns in particular the UK move towards applying more principles-based and proportionate approach to due diligence on transparency and reporting, which is particularly helpful for the UK Affected Investor when investing in third country (that is, non-UK) securitisations such as this transaction. In this regard, the UK Affected Investors are required to verify that, the originator, sponsor or SSPE has made available sufficient information to enable such investors independently to assess the risks of holding the securitisation position and has

committed to make further information available on an ongoing basis, as appropriate (so-called "**sufficient information test**"). The UK Due Diligence Rules further clarify (but without being overly prescriptive and without any reference to the mandatory use of the UK reporting templates), that for the purposes of this sufficient information test, the information provided must include at least certain items, such as: (a) details of the underlying exposures, which (for non-ABCP) is to be provided on at least a quarterly basis; (b) quarterly investor reports providing updates on credit quality and performance of the underlying exposures, including certain other information as set out in the UK Due Diligence Rules; (c) disclosure of the transaction documentation essential to understand the transaction and any offer or marketing document prepared with the cooperation of the originator or sponsor, such disclosure to be provided in draft form before pricing and in final form no later than 15 days after closing; and (d) information about any material changes or events ("**UK Transparency Requirements**").

If any UK Affected Investor fails to comply with the UK Due Diligence Rules with respect to an investment in the Class A1-R Notes offered by this Supplemental Information Memorandum, it may be subject (where applicable) to a penalty regulatory capital charge with respect to any securitisation position acquired by it or on its behalf, and it may be subject to other regulatory sanctions by the competent authority of such UK Affected Investor or may be required to take corrective action. No assurances can be provided that any amendments introduced in the future to the UK Securitisation Framework and/or any other changes to the regulatory treatment of the Notes will not for some or all investors have negative impacts on the regulatory position of a UK Affected Investor and have an adverse impact on the value and liquidity of the Notes offered by this Supplemental Information Memorandum. Prospective investors should analyse their own regulatory position, and should consult with their own investment and legal advisors regarding application of, and compliance with, the UK Securitisation Framework or other applicable regulations and the suitability of the Class A1-R Notes for investment.

***EU Transaction Requirements***

The EU Securitisation Regulation imposes certain requirements (the "**EU Transaction Requirements**") with respect to originators, original lenders, sponsors and SSPEs (as each such term is defined for the purposes of the EU Securitisation Regulation), which will apply indirectly on third country (non-EU) securitisations as a result of the EU Investor Requirements.

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

(a) a requirement under Article 6 of the EU Securitisation Regulation that the originator, the original lender or the sponsor of a securitisation commits to retain, on an ongoing basis, a material net economic interest in the relevant securitisation of not less than 5% in respect of certain specified credit risk tranches or asset exposures (the "**EU Retention Requirement**"). Note that compliance with the EU Retention Requirements is subject to Commission Delegated Regulation (EU) 2023/2175, which sets out the applicable regulatory technical standards (the "**EU Recast Risk Retention RTS**"). Article 6(1) also provides that an entity shall not be considered an "originator" (as defined for purposes of the EU Securitisation Regulation) if it has been established or operates for the sole purpose of securitising exposures and the EU Recast Risk Retention RTS set out guidance on the interpretation of this restriction. See Section 4.2 ("*The Seller*"), Section 6 ("Commonwealth *Bank*

*of Australia Residential Loan Program*") and Section 10 ("*The Servicer*") in this Supplemental Information Memorandum for information regarding Commonwealth Bank of Australia, its business and activities;

(b) a requirement under Article 7 of the EU Securitisation Regulation that the originator, sponsor and SSPE of a securitisation make available to holders of a securitisation position, relevant competent authorities and (upon request) potential investors certain prescribed information (the "**EU Transparency Requirements**") prior to pricing as well as in quarterly portfolio level disclosure reports and quarterly investor reports. Note that compliance with the EU Transparency Requirements is subject to (i) the application of the relevant technical standards set out in Commission Delegated Regulation (EU) 2020/1224 and Commission Implementing Regulation (EU) 2020/1225, which prescribe further detail and set out the applicable reporting templates, as well as (ii) certain technical specifications for the formatting of the reporting templates prescribed by ESMA (together, the "**EU Disclosure Technical Standards**"). However, there remains some compliance challenges with the completion of some fields of the reporting templates on third country (non-EU) securitisations. As noted above, the EU reporting templates are currently under review and the EU Securitisation Regulation is subject to a wider review on which the European Commission commenced its consultation in October 2024; and

(c) a requirement that the EU Affected Investor verifies that a third country (non-EU) originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness (this requirement is broadly comparable with Article 9 of the EU Securitisation Regulation, although Article 9 itself is not directly applicable to a third country (non-EU) securitisation) (the "**EU Credit-Granting Requirements**").

***UK Transaction Requirements***

The UK Due Diligence Rules imposes certain requirements in addition to the UK Transparency Requirements described above (the "**UK Transaction Requirements**", and together with the EU Transaction Requirements, the "**Transaction Requirements**") with respect to originators, original lenders, sponsors and SSPEs (as each such term is defined for the purposes of the UK Securitisation Framework), which will apply indirectly on third country (non-UK) securitisations as a result of the UK Due Diligence Rules.

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

(a) a requirement under the UK Due Diligence Rules that, if not established in the UK, the originator, the original lender or the sponsor of a securitisation commits to retain, on an ongoing basis, a material net economic interest in the relevant securitisation of not less than 5% determined in accordance with Article 6 of Chapter 2 and Chapter 4 of the PRA Securitisation Rules (the "**PRA Retention Rules**") and SECN 5 (the "**FCA Retention Rules**", and together with the PRA Retention Rules, the "**UK Retention Rules**"). Similar to the EU Retention Requirements, the UK Retention Rules also require that

an entity shall not be considered an "originator" (as defined for purposes of the UK Securitisation Framework) if it has been established or operates for the sole purpose of securitising exposures. See Section 4.2 ("*The Seller*"), Section 6 ("Commonwealth *Bank of Australia Residential Loan Program*") and Section 10 ("*The Servicer*") in this Supplemental Information Memorandum for information regarding Commonwealth Bank of Australia, its business and activities;

(b) the UK Transparency Requirements as defined above; and

(c) a requirement under the UK Due Diligence Rules that the UK Affected Investor verifies that a third country (non-UK) originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness (this requirement is broadly comparable with Article 9(1) of Chapter 2 of the PRA Securitisation Rules (the "**PRA Credit-Granting Rules**") and SECN 8 of the FCA Securitisation Rules (the "**FCA Credit-Granting Rules**" and together with the PRA Credit-Granting Rules, the "**UK Credit-Granting Rules**"), although the UK Credit-Granting Rules are not directly applicable to a third country (non-UK) securitisation).

**EU Risk Retention and UK Risk Retention**

On the Class A1-R Issue Date and thereafter on an ongoing basis for so long as any Notes remain outstanding, Commonwealth Bank of Australia will, as an "originator" (as such term is defined for the purposes of the EU Securitisation Regulation), undertake to retain a material net economic interest of not less than 5 per cent in the Medallion Trust Series 2019-1 securitisation transaction in accordance with Article 6(1) of the EU Securitisation Regulation ("**EU Retention**"). As at the Class A1-R Issue Date, the EU Retention 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 Article 6(3)(c) of the EU Securitisation Regulation.

On the Class A1-R Issue Date and thereafter on an ongoing basis for so long as any Notes remain outstanding, Commonwealth Bank of Australia will, as an "originator", as such term is defined for the purposes of and the UK Securitisation Regulation, undertake to retain a material net economic interest of not less than 5% in the Medallion Trust Series 2019-1 securitisation transaction in accordance with Article 6(1) of the UK Securitisation Regulation, as in effect on the Class A1-R Issue Date (the "**UK Retention**"). As at the Class A1-R Issue Date, the UK Retention 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 Article 6(3)(c) of the UK Securitisation Regulation.

For so long as any Notes remain outstanding, Commonwealth Bank of Australia will undertake (in each case with reference to the EU Securitisation Regulation Rules and the UK Securitisation Regulation Rules in each case as in effect on the Class A1-R Issue Date):

(a) not to utilise or enter into any credit risk mitigation techniques or any other hedge, or sell, transfer or otherwise surrender all or part of the rights, benefits

or obligations arising from the EU Retention, except as permitted by the EU Securitisation Regulation Rules and the UK Securitisation Regulation Rules;

(b) not to dispose of, assign, transfer, or create or cause to exist any security interest over, and not to otherwise surrender, all or part of the rights, benefits or obligations arising from its interest in the EU Retention or the UK Retention, except as permitted by the EU Securitisation Regulation Rules and the UK Securitisation Regulation Rules;

(c) not to change the manner or form in which it retains or the method of calculation of the EU Retention or the UK Retention (each as described above), except as permitted by the EU Securitisation Regulation Rules and the UK Securitisation Regulation Rules;

(d) to confirm or cause to be confirmed the status of its compliance with paragraphs (a), (b) and (c) above (in each periodic report provided to Noteholders); and

(e) to promptly notify the Trustee, the Manager and the Lead Manager in writing, if for any reason it fails to comply with any of its obligations under paragraphs (a), (b) and (c) above.

***EU Disclosure***

Commonwealth Bank of Australia will also give further undertakings with respect to the EU Securitisation Regulation, as in effect on the Class A1-R Issue Date, as follows:

(a) with reference to Article 7(1) of the EU Securitisation Regulation, Commonwealth Bank of Australia will, subject to the conditions noted at the end of this paragraph (a), undertake to (1) use reasonable endeavours to make available (or to procure that the Manager makes available) the reports described in sub-paragraphs (i) and (iii) below and (2) make available (or to procure that the Manager makes available) the documentation and information referred to in paragraphs (ii) and (iv) below, in each case in such format as determined by Commonwealth Bank of Australia from time to time (x) to Noteholders and (y) upon request, to potential investors:

(i) with reference to Article 7(1)(a) of the EU Securitisation Regulation, loan level data (on at least a quarterly basis) in relation to the Mortgage Loans held by the Trustee. The information referred to in this sub-paragraph (i) will be made available at the latest one month after the end of the period the report covers;

(ii) all documentation required to be provided by an originator subject to Article 7(1)(b) of the EU Securitisation Regulation, including the Transaction Documents and this Supplemental Information Memorandum. The documentation referred to in this sub-paragraph (ii) will be made available before pricing of the Class A1-R Notes;

(iii) with reference to Article 7(1)(e) of the EU Securitisation Regulation, investor reports (on at least a quarterly basis) containing the following information:

A. all materially relevant data on the credit quality and performance of Mortgage Loans held by the Trustee;

B. information on events which trigger changes in the priority of payments or the replacement of any counterparties, and data on the cash flows generated by the Mortgage Loans held by the Trustee and by the liabilities of the securitisation; and

C. information about the risk retained, including information on which of the modalities provided for in Article 6(3) of the EU Securitisation Regulation has been applied, in accordance with Article 6 of the EU Securitisation Regulation.

Each investor report referred to in this sub-paragraph (iii) will be made available at the latest one month after the end of the period the report covers; and

(iv) with reference to Article 7(1)(g) of the EU Securitisation Regulation, information as to any significant event such as:

A. a material breach of the obligations provided for in the Transaction Documents, including any remedy, waiver or consent subsequently provided in relation to such a breach;

B. a change in the structural features that can materially impact the performance of the securitisation;

C. a change in the risk characteristics of the securitisation or of the Mortgage Loans held by the Trustee that can materially impact the performance of the securitisation; and

D. any material amendment to the Transaction Documents.

The information referred to in this sub-paragraph (iv) will be made available without delay.

The conditions referred to in the introduction to this paragraph (a) are that Commonwealth Bank of Australia will not be obliged to make available any information or documents in accordance with paragraph (a) if, at the relevant time, the EU Securitisation Regulation Rules provide that, in any transaction in which the originator, sponsor and SSPE are established outside the EU, EU Affected Investors are not required by Article 5(1)(e) of the EU Securitisation Regulation (or otherwise) to verify that the originator, sponsor or SSPE, which is not established in the EU, has made available the information required by Article 7 of the EU Securitisation Regulation. As at the date of this Supplemental Information Memorandum, the EU Securitisation Regulation Rules include no such provision.

Prospective investors and Noteholders should be aware that, if any portfolio report provided pursuant to sub-paragraph (a)(i) above or quarterly investor report provided pursuant to sub-paragraph (a)(iii) above does not comply with the requirements prescribed in the EU Securitisation Regulation or the EU Disclosure Technical Standards, an EU Affected Investor may be unable to satisfy the EU Investor Requirements in respect of such report.

With reference to Article 7(2) of the EU Securitisation Regulation, to the extent required, Commonwealth Bank of Australia as the originator will agree to be designated as the entity required to provide the information referred to in Article 7(1) of the EU Securitisation Regulation.

***Credit-granting***

Commonwealth Bank of Australia represented in favour of the Trustee and the Lead Manager on the Closing Date that it:

(i) had applied and will apply to the Mortgage Loans acquired by the Trustee on the Closing Date, the same has sound and well-defined criteria for credit-granting which it had applied to non-securitised mortgage loans;

(ii) will apply the same clearly established processes for approving and, where relevant, amending, renewing and refinancing credits held by the Trustee; and

(iii) it has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting his obligations under the credit agreement.

Information about the origination and servicing procedures of Commonwealth Bank of Australia in connection with the approval, amendment, renewing and financing of credits giving rise to the Mortgage Loans to be included in the Series Trust is set out in Section 6 ("*Commonwealth Bank of Australia Residential Loan Program*") and Section 10 ("*The Servicer*").

***Additional Information***

Prospective investors and Noteholders should be aware that (a) neither Commonwealth Bank of Australia nor any other party to the securitisation transaction described in this Supplemental Information Memorandum (i) intends to take any action specifically for purposes of the UK Transparency Requirements, or (ii) otherwise intends to make any information available to any person specifically for the purposes of, or in connection with, any requirement of the UK Securitisation Framework, and (b) except as expressly described in this Supplemental Information Memorandum with regard to the UK Retention and the UK Credit-Granting Rules, neither Commonwealth Bank of Australia nor any other party to the securitisation transaction described in this Supplemental Information Memorandum (i) intends to take or refrain from taking any other action with regard to this transaction in a manner prescribed or contemplated by the UK Securitisation Framework, or to take any other action for purposes of, or in connection with, facilitating or enabling the compliance by any person with any applicable UK Due Diligence Rules, or (ii) gives, or intends to give, any undertaking, representation or warranty with regard to any requirement of the UK Securitisation Framework..

In addition, except as described in this Supplemental Information Memorandum, no party to the securitisation transaction described in this Supplemental Information Memorandum intends to take or refrain from taking any action with regard to such transaction in a manner prescribed or contemplated by the EU Securitisation Regulation Rules, or to take any action for purposes of, or in connection with, facilitating or enabling the compliance by any person with any applicable EU Investor Requirements or any corresponding national measures that may be relevant.

***Investors to make their own investigations and seek independent advice***

Prospective investors and Noteholders should make their own independent investigation and seek their own independent advice as to (i) the scope and applicability

of the EU Securitisation Regulation Rules and the UK Securitisation Framework; (ii) whether the undertakings by Commonwealth Bank of Australia to retain the EU Retention and the UK Retention, each as described above and in this Supplemental Information Memorandum generally, are, or will be sufficient, for the purpose of complying with the EU Investor Requirements and any corresponding national measures which may be relevant or the UK Due Diligence Rules; and (iii) the information in this Supplemental Information Memorandum and which may otherwise be made available to investors are, or will be, sufficient for the purposes of complying with the EU Investor Requirements and any corresponding national measures which may be relevant and the UK Due Diligence Rules; (iv) as to their compliance generally with any applicable Investor Requirements; and (v) the suitability of the Notes for investment.

None of the Manager, the Trustee, Commonwealth Bank of Australia or any other party to the Transaction Documents (i) makes any representation that the performance of the undertakings described above, the making of the representations and warranties described above, and the information in this Supplemental Information Memorandum, or any other information which may be made available to investors, are or will be sufficient in all circumstances for the purposes of any person's compliance with any applicable Investor Requirement, or that the structure of the Notes, Commonwealth Bank of Australia (including its holding of the EU Retention and the UK Retention) and the transactions described in this Supplemental Information Memorandum are compliant with the EU Securitisation Regulation Rules or the UK Securitisation Framework or with any other applicable legal, regulatory or other requirements, (ii) has any liability to any prospective investor or any other person for any deficiency in or insufficiency of such information or any failure of the transactions or structure contemplated in this Supplemental Information Memorandum to comply with or otherwise satisfy the requirements of the EU Securitisation Regulation Rules, the UK Securitisation Framework, any subsequent change in law, rule or regulation or any other applicable legal, regulatory or other requirements (other than, in each case, any liability arising as a result of a breach by the relevant person of the undertakings or representations described above), or (iii) has any obligation to provide any further information or take any other steps that may be required by any person to enable compliance by such person with the requirements of any applicable Investor Requirement or any other applicable legal, regulatory or other requirements (other than, in each case, the specific obligations undertaken and/or representations made by Commonwealth Bank of Australia in that regard as described above). In addition, neither the Trustee nor the Security Trustee has any responsibility to maintain or enforce compliance with the EU Securitisation Regulation Rules or the UK Securitisation Framework.

There can be no assurance that the regulatory treatment of the Notes for any investor will not be affected by any future reforms or changes to the regulatory frameworks that prescribe prudential, non-prudential and/or accounting or other requirements that may be relevant to the Notes.

### 1.16 Japanese Due Diligence and Retention Rules

On 15 March 2019, the Japanese Financial Services Agency ("**JFSA**") published new due diligence and risk retention rules (the "**Japanese Due Diligence and Retention Rules**") as part of the regulatory capital regulation of certain categories of Japanese financial institutions seeking to invest in securitisation transactions including banks and other depositary institutions, bank holding companies, ultimate parent companies of large securities companies designated by JFSA and certain other financial institutions

regulated in Japan (the "**Japanese Affected Investors**"). The Japanese Due Diligence and Retention Rules became applicable to such Japanese financial institutions from 31 March 2019.

The Japanese Due Diligence and Retention Rules require, under the indirect regime, the Japanese Affected Investors to apply an increased risk weighting (i.e., three times higher than that otherwise applied to compliant securitisation exposure (capped at 1,250%)) to each securitisation exposure they hold for regulatory capital purposes unless either:

(a) they can confirm that at least one of the following conditions is satisfied by the relevant originator:

(i) such originator holds each of the tranches of the securitisation exposure in the relevant securitisation transaction equally (except that such part of credit risk that is not effectively borne by the originator by way of hedging such credit risk or other method shall be deemed not to be held, hereinafter the same) and the total amount of relevant exposure is at least 5% of the aggregate amount of exposure of the underlying assets in such transaction;

(ii) it holds the most junior tranche in the securitisation exposure in the relevant securitisation transaction and the total amount of relevant exposure is at least 5% of the aggregate amount of exposure of the underlying assets in such transaction;

(iii) in the event that the most junior tranche in the securitisation exposure in the relevant securitisation transaction is less than 5%, it holds the whole of such tranche and each of the tranches (other than such most junior tranche) equally and the total amount of the relevant exposure is at least 5% of the aggregate amount of exposure of the underlying assets in such transaction; or

(iv) by continuously holding the securitisation exposure in such securitisation transaction, the credit risk borne by such originator is found to be at least equivalent to the credit risk satisfying any of the conditions mentioned above; or

(b) they can determine that the underlying assets were not "inappropriately originated", based on the situations of the originator's involvement in the underlying assets, the quality of the underlying assets or any other circumstances.

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

As outlined in the preceding section 1.15 ("*Securitisation Regulation Rules*"), Commonwealth Bank of Australia will retain a material net economic interest of at least 5 per cent in the Medallion Trust 2019-1 securitisation transaction in accordance with Article 6(3)(c) of the EU Securitisation Regulation. None of the Manager, the Trustee or Commonwealth Bank of Australia nor any other party will take any additional action in connection with the Medallion Trust 2019-1 securitisation transaction for the purposes of compliance with the Japanese Due Diligence and Retention Rules.

Prospective Japanese Affected Investors should make their own independent investigation and seek their own independent advice as to (i) the scope and applicability of the Japanese Due Diligence and Retention Rules in respect of the transactions contemplated by this Supplemental Information Memorandum; (ii) the sufficiency of the information described in this Supplemental Information Memorandum and (iii) as to the compliance with the Japanese Due Diligence and Retention Rules in respect of the transactions contemplated by this Supplemental Information Memorandum. None of the Trustee, Commonwealth Bank of Australia, the Manager or any other party to a Transaction Document (i) makes any representation that the information described in this Supplemental Information Memorandum or any other information which may be made available to investors is sufficient in all circumstances for such purposes, (ii) has any liability to any prospective investor or any other person for any insufficiency of such information or any non-compliance by any such person with the Japanese Due Diligence and Retention Rules or any other applicable legal, regulatory or other requirements, or (iii) has any obligation to provide any further information or take any other steps that may be required by any Japanese Affected Investor to enable compliance by such person with the requirements of the Japanese Due Diligence and Retention Rules or any other applicable legal, regulatory or other requirements.

## 1.17 Notice to investors in Singapore

By accepting this Supplemental Information Memorandum, if you are an investor in Singapore, you: (I) represent and warrant that you are either (1) an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA; or (2) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA, and (II) agree to be bound by the limitations and restrictions described therein.

## 1.18 Repo-eligibility

The Manager intends to make an application to the Reserve Bank of Australia ("**RBA**") for the Class A1-R Notes to be "eligible securities" (or "**repo eligible**") for the purposes of repurchase agreements with the RBA.

The criteria for repo eligibility published by the RBA require, among other things, that certain information be provided by the Manager to the RBA at the time of seeking repo-eligibility and during the term of the Class A1-R Notes in order for the Class A1-R Notes to be (and to continue to be) repo-eligible.

No assurance can be given that the application by the Manager for the Class A1-R Notes to be repo eligible will be successful, or that the Class A1-R Notes will continue to be repo eligible at all times even if they are eligible in relation to their initial issue. For example, subsequent changes by the RBA to its criteria could affect whether the Class A1-R Notes continue to be repo-eligible.

If the Class A1-R Notes are repo-eligible at any time, Noteholders should be aware that relevant disclosures may be made by the Manager to investors and potential investors in Class A1-R Notes from time to time in such form as determined by the Manager as it sees fit (including for the purpose of complying with the RBA's criteria).

## 1.19 References to Ratings

There are various references in this Supplemental Information Memorandum to the credit ratings of Class A1-R 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. Each credit rating should be evaluated independently of any other credit rating. In addition, the credit ratings of Class A1-R Notes do not address the expected timing of principal repayments under those Notes. None of the Rating Agencies has been involved in the preparation of this Supplemental Information Memorandum.

Credit ratings are for distribution only to a person (a) who is not a Retail Client and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Supplemental Information Memorandum and anyone who receives this Supplemental Information Memorandum must not distribute it to any person who is not entitled to receive it.

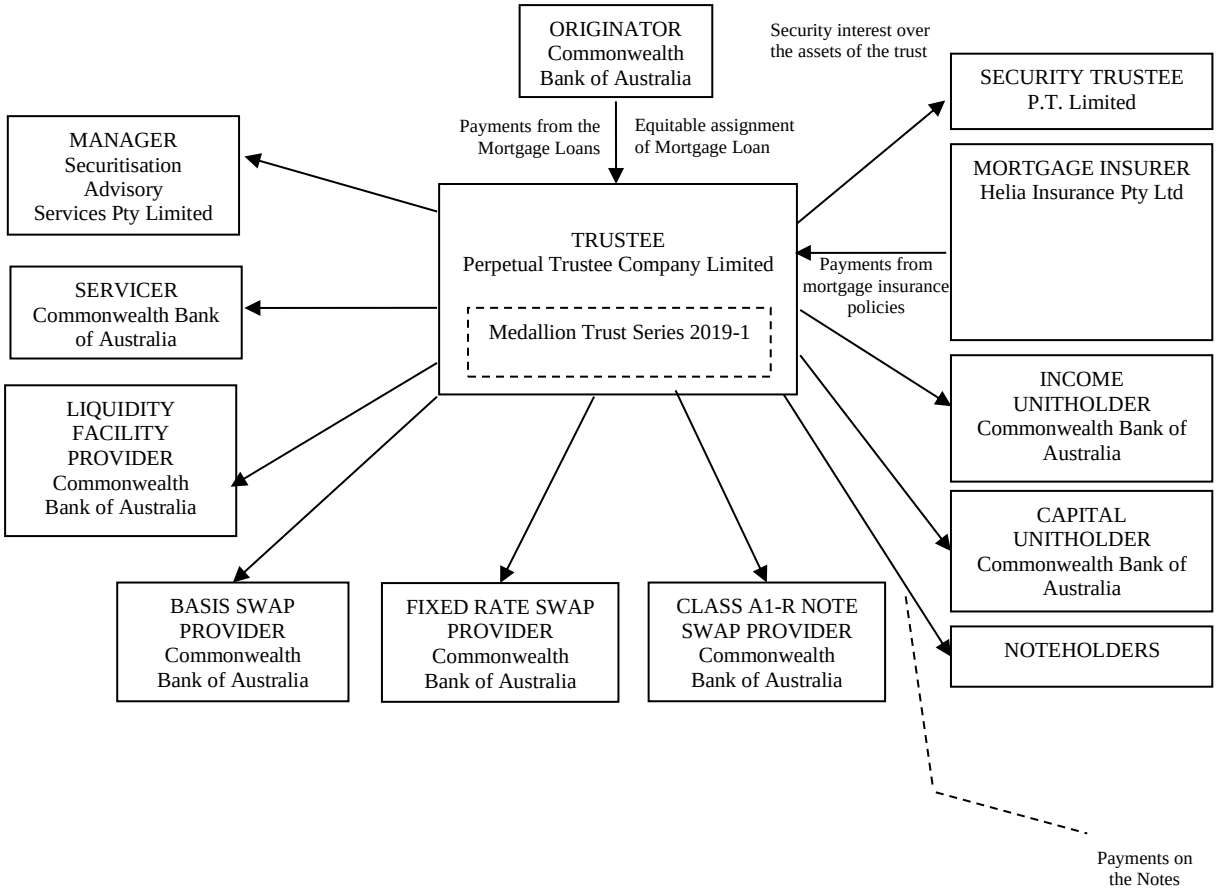
# 2 Summary

This summary highlights selected information from this document and does not contain all of the information that you need to consider in making your investment decision. This summary contains an overview of some of the concepts and other information to aid your understanding. All of the information contained in this summary is qualified by the more detailed explanations in other parts of this Supplemental Information Memorandum.

## 2.1 Parties to the Transaction

| | |
|---|---|
| **Trustee:** | Perpetual Trustee Company Limited in its capacity as trustee of the Series Trust |
| **Manager:** | Securitisation Advisory Services Pty Limited |
| **Security Trustee:** | P.T. Limited in its capacity as trustee of the Security Trust |
| **Seller:** | Commonwealth Bank of Australia |
| **Servicer:** | Commonwealth Bank of Australia |
| **Income Unitholder:** | Commonwealth Bank of Australia |
| **Capital Unitholder:** | Commonwealth Bank of Australia |
| **Arranger** | Commonwealth Bank of Australia |
| **Lead Manager and Bookrunner:** | Commonwealth Bank of Australia |
| **Liquidity Facility Provider:** | Commonwealth Bank of Australia |
| **Mortgage Insurer:** | Helia Insurance Pty Limited (ABN 60 106 974 305) |
| **Fixed Rate Swap Provider:** | Commonwealth Bank of Australia |
| **Basis Swap Provider:** | Commonwealth Bank of Australia |
| **Class A1-R Note Swap Provider:** | Commonwealth Bank of Australia |
| **Rating Agencies:** | S&P Global Ratings Australia Pty Ltd<br>Fitch Australia Pty Ltd |

**Structural Diagram**




## 2.2 Summary of the Notes

The Trustee issued Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes on 5 December 2019. The Trustee will not issue any further Notes of those Classes.

The Trustee proposes to issue A$342,300,000 of Class A1-R Notes on 21 November 2024 (the "**Class A1-R Issue Date**") for the purpose of using the proceeds of such issue for application towards repayment of the Invested Amount of the Class A1 Notes. For more detail, see Section 8.21 ("*Refinancing of Class A1 Notes with Class A1-R Notes*") of the Base Information Memorandum.

This Supplemental Information Memorandum relates only to the proposed issue of the Class A1-R Notes on the Class A1-R Issue Date as described above. No other Class A1-R Notes are being offered for issue, nor are applications for the issue of any other Class A1-R Notes being invited, by this Supplemental Information Memorandum.

The Class A1 Notes, the Class A1-R Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are secured, limited recourse obligations of the Trustee collateralised by the same pool of Mortgage Loans. The Notes have not been, and will not be, registered in the United States. The Class A1 Notes are to be repaid in full on the Issue Date of the Class A1-R Notes as described above.

The Manager may, subject to investor demand and other considerations, make an application to any stock exchange for the Class A1-R Notes to be admitted to trading on the regulated market of a stock exchange or other regulated or unregulated markets, but the Manager has no obligation to do so. As at the Preparation Date the Manager has no intention of making any such application.

**Summary of the Class A1-R Notes**

| | |
|---|---|
| Initial Principal Balance | A$342,300,000 |
| Ratings:<br><br>S&P Global Ratings Australia Pty Ltd<br><br>Fitch Australia Pty Limited | <br><br>AAA(sf)<br><br>AAAsf |
| Interest rate | BBSW plus 0.90% (to apply at all times from the Class A1-R Issue Date) |
| Interest Accrual Method | Actual /365 |
| Payment dates ("**Distribution Dates**") | 21st day of each calendar month commencing on 23 December 2024 or, if such day is not a Business Day, the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. |
| Interest payable | On each Distribution Date as specified above |
| Clearance/Settlement | Austraclear/ Euroclear/ Clearstream |
| ISIN | AU3FN0093159 |

## Summary of Notes previously issued by the Series Trust

| | **Class A1 Notes** | **Class A2 Notes** | **Class B Notes** | **Class C Notes** | **Class D Notes** | **Class E Notes** | **Class F Notes** |
|---|---|---|---|---|---|---|---|
| Initial Principal Balance | A$1,380,000,000 | A$57,000,000 | A$27,000,000 | A$16,500,000 | $7,500,000 | 6,000,000 | 6,000,000 |
| % of Total initial Series Trust issuance | 92.00% | 3.80% | 1.80% | 1.10% | 0.50% | 0.40% | 0.40% |
| Ratings on issue:<br><br>S&P Global Ratings Australia Pty Ltd<br><br>Fitch Australia Pty Limited | <br><br>AAA(sf)<br><br>AAAsf | <br><br>AAA(sf)<br><br>AAAsf | <br><br>AA(sf)<br><br>Not rated | <br><br>A(sf)<br><br>Not rated | <br><br>BBB(sf)<br><br>Not rated | <br><br>BB(sf)<br><br>Not rated | <br><br>Not rated<br><br>Not rated |
| Interest rate | Compounded AONIA + 1.25% (up to but excluding 21 November 2024 (being the "**First Possible Class A1 Refinancing Date**"))<br><br>Compounded AONIA plus 1.25% + 0.25% (on and from the First Possible Class A1 Refinancing Date) | Compounded AONIA + 1.70% (up to but excluding the Call Date)<br><br>Compounded AONIA plus 1.70% + 0.25% (on and from the Call Date) | Compounded AONIA + 2.00% (to apply at all times from the Closing Date) | Compounded AONIA + 2.40% (to apply at all times from the Closing Date) | Compounded AONIA + 3.30% (to apply at all times from the Closing Date) | Compounded AONIA + 4.50% (to apply at all times from the Closing Date) | Compounded AONIA + 5.80% (to apply at all times from the Closing Date) |
| Interest Accrual Method | actual/365 (fixed) | actual/365 (fixed) | actual/365 (fixed) | actual/365 (fixed) | actual/365 (fixed) | actual/365 (fixed) | actual/365 (fixed) |
| Distribution Dates | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day unless that day falls in | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day unless that day falls in | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day unless | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day unless | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day unless | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day unless |

| | Class A1 Notes | Class A2 Notes | Class B Notes | Class C Notes | Class D Notes | Class E Notes | Class F Notes |
|---|---|---|---|---|---|---|---|
| | unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date was 21 January 2020. | the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date was 21 January 2020. | the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date was 21 January 2020. | that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date was 21 January 2020. | that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date was 21 January 2020. | that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date was 21 January 2020. | that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date was 21 January 2020. |
| Interest payable | On each Distribution Date as specified above | On each Distribution Date as specified above | On each Distribution Date specified above | On each Distribution Date specified above | On each Distribution Date as specified above | On each Distribution Date as specified above | On each Distribution Date as specified above |
| Clearance/Settlement | Austraclear/ Euroclear/ Clearstream | Austraclear/ Euroclear/ Clearstream | Austraclear/ Euroclear/ Clearstream | Austraclear/ Euroclear/ Clearstream | Austraclear/ Euroclear/ Clearstream | Austraclear/ Euroclear/ Clearstream | Austraclear/ Euroclear/ Clearstream |
| ISIN | AU3FN0051462 | AU3FN0051470 | AU3FN0051488 | AU3FN0051496 | AU3FN0051504 | AU3FN0051512 | AU3FN0051520 |
| Cut-Off Date | 18 November 2019 | | | | | | |
| Closing Date | 5 December 2019 | | | | | | |
| Final Maturity Date | The Distribution Date occurring in January 2052 | | | | | | |

As at 21 October 2024:

- the aggregate Invested Amount of the Class A1 Notes is A$348,811,836;
- the aggregate Invested Amount of the Class A2 Notes is A$31,574,808;
- the aggregate Invested Amount of the Class B Notes is A$14,956,488;
- the aggregate Invested Amount of the Class C Notes is A$9,140,076;
- the aggregate Invested Amount of the Class D Notes is A$4,154,580;
- the aggregate Invested Amount of the Class E Notes is A$3,323,664; and
- the aggregate Invested Amount of the Class F Notes is A$3,323,664.

As at the Preparation Date, the ratings of the Notes are as follows:

- in respect of the Class A1 Notes, AAA(sf) by S&P Global Ratings Australia Pty Ltd and AAAsf by Fitch Australia Pty Ltd;
- in respect of the Class A2 Notes, AAA(sf) by S&P Global Ratings Australia Pty Ltd and AAAsf by Fitch Australia Pty Ltd;
- in respect of the Class B Notes, AA+(sf) by S&P Global Ratings Australia Pty Ltd;
- in respect of the Class C Notes, AA-(sf) by S&P Global Ratings Australia Pty Ltd;
- in respect of the Class D Notes, A(sf) by S&P Global Ratings Australia Pty Ltd; and
- in respect of the Class E Notes, BBB-(sf) by S&P Global Ratings Australia Pty Ltd.

As outlined above, and discussed in further detail in Section 8.21 ("*Refinancing of Class A1 Notes with Class A1-R Notes*") of the Base Information Memorandum, it is expected that the Class A1 Notes will be redeemed immediately following the issue of Class A1-R Notes on the Class A1-R Issue Date. All other Classes of Notes on issue are expected to remain outstanding as at that date.

The descriptions of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (including certain terms of the Transaction Documents as they apply to those Classes of Notes) are included in this Supplemental Information Memorandum solely for information purposes and to assist prospective investors in the Class A1-R Notes to understand the structure of the transaction and the current liabilities of the Series Trust. The Base Information Memorandum contains more detailed information about the Class A1 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

## 2.3 Structural Overview

The Series Trust is a securitisation trust established under the Medallion Trust Programme. The Series Trust was established on 26 September 2019 pursuant to the Master Trust Deed. The Series Trust is a unit trust and all units are currently held by the Commonwealth Bank of Australia. The Series Trust is a separate transaction to each other securitisation under the Medallion Trust Programme. The Assets of the Series Trust will not be available to pay the obligations of any other trust, and the assets of other trusts will not be available to pay the obligations of the Series Trust.

The Series Trust involves the securitisation of Mortgage Loans originated by Commonwealth Bank of Australia secured by mortgages on residential property located in Australia. On 5 December 2019, Commonwealth Bank of Australia equitably assigned the Mortgage Loans to the Series Trust, which issued the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes to fund the acquisition of those Mortgage Loans.

The Trustee has granted the Charge under the Security Trust Deed in favour of P.T. Limited, as Security Trustee, to secure the Series Trust's payment obligations under the Transaction Documents on the Notes and to its other Secured Creditors. The Charge is a security interest over Assets of the Series Trust which are personal property under the Personal Property Securities Act 2009 (Cth) and a floating charge over any other Assets of the Series Trust. The Charge will be enforceable if an Event of Default occurs under the Security Trust Deed. For a description of the Charge and the circumstances in which it may be enforced, see Section 10.6 ("*The Security Trust Deed*") of the Base Information Memorandum.

Payments of interest and principal on the Notes will come only from the Mortgage Loans and other Assets of the Series Trust. The assets of the parties to the transaction are not available to meet the payments of interest and principal on the Notes. If there are losses on the Mortgage Loans, the Series Trust may not have sufficient Assets to repay the Notes.

As at the Preparation Date, the Step-Down Conditions are satisfied.

For an overview of the Medallion Trusts Programme and the Series Trust, see Section 5 ("*Description of the Series Trust*") of the Base Information Memorandum.

## 2.4 Credit Enhancements

Credit enhancement is intended to enhance the likelihood of full payment of principal and interest due on the Notes and to decrease the likelihood that Noteholders will experience losses. The credit enhancement for the Notes will not provide protection against all risks of loss and will not guarantee repayment of the entire principal balance and accrued interest. If losses occur which exceed the amount covered by any credit enhancement or which are not covered by any credit enhancement, Noteholders will bear their allocated share of losses.

Payments of interest and principal on the Notes will be supported by the following forms of credit enhancement:

(a) **Subordination of interest payments**

Prior to enforcement of the Charge:

(i) the Class F Notes will always be subordinated to the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be);

(ii) the Class E Notes will always be subordinated to the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be);

(iii) the Class D Notes will always be subordinated to the Class C Notes, the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be);

(iv) the Class C Notes will always be subordinated to the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be);

(v) the Class B Notes will always be subordinated to the Class A2 Notes, and the Class A1 Notes or the Class A1-R Notes (as the case may be); and

(vi) the Class A2 Notes will always be subordinated to the Class A1 Notes or the Class A1-R Notes (as the case may be),

in their respective rights to receive interest payments.

(b) **Subordination of principal repayments**

Prior to enforcement of the Charge:

(i) the Class F Notes will be subordinated to the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes;

(ii) the Class E Notes will be subordinated to the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be);

(iii) the Class D Notes will be subordinated to the Class C Notes, the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be);

(iv) the Class C Notes will be subordinated to the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be);

(v) the Class B Notes will be subordinated to the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be); and

(vi) the Class A2 Notes will be subordinated to the Class A1 Notes or the Class A1-R Notes (as the case may be),

in their right to receive principal payments on a Distribution Date unless the Step Down Conditions are satisfied on the immediately preceding Determination Date. If the Step-Down Conditions are satisfied on that date, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the

Class E Notes and the Class F Notes will be entitled to receive principal payments rateably with the Class A1 Notes or the Class A1-R Notes (as the case may be) to the extent described in Section 8.12 (*"Payment of the Available Principal Amount on a Distribution Date"*) of the Base Information Memorandum.

(c) **Subordination of payments following enforcement of the Charge**

Following enforcement of the Charge:

(i) Class F Notes will be fully subordinated to the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be) in their right to receive interest payments and principal repayments;

(ii) Class F Notes will be fully subordinated to the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be) in their right to receive interest payments and principal repayments;

(iii) Class F Notes will be fully subordinated to the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be) in their right to receive interest payments and principal repayments;

(iv) the Class C Notes will be fully subordinated to the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be) in their right to receive interest payments and principal repayments; and

(v) the Class B Notes will be fully subordinated to the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be) in their right to receive interest payments and principal repayments; and

(vi) the Class A2 Notes will be fully subordinated to the Class A1 Notes or the Class A1-R Notes (as the case may be) in their right to receive interest payments and principal repayments.

See Section 10.6(k) ("*Priorities under the Security Trust Deed*") of the Base Information Memorandum.

(d) **Allocation of losses**

The Class F Notes will bear all losses on the Mortgage Loans before the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be).

The Class E Notes will bear all losses on the Mortgage Loans before the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be).

The Class D Notes will bear all losses on the Mortgage Loans before the Class C Notes, the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be).

The Class C Notes will bear all losses on the Mortgage Loans before the Class B Notes, the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be).

The Class B Notes will bear all losses on the Mortgage Loans before the Class A2 Notes and the Class A1 Notes or the Class A1-R Notes (as the case may be).

The Class A2 Notes will bear all losses on the Mortgage Loans before the Class A1 Notes or the Class A1-R Notes (as the case may be).

The support provided by the relevant subordinated Classes of Notes is intended to enhance the likelihood that the Class A1 Notes or the Class A1-R Notes (as the case may be), the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (as applicable) will receive expected payments of interest and expected repayments of principal. The following chart describes the support provided by the relevant Classes of Notes:

| **Class** | **Credit Support ("Credit Support Notes")** | **Support Percentage** |
|---|---|---|
| Class A1 Notes | Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes | 16.01% |
| Class A2 Notes | Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes | 8.40% |
| Class B Notes | Class C Notes, Class D Notes, Class E Notes and Class F Notes | 4.80% |
| Class C Notes | Class D Notes, Class E Notes and Class F Notes | 2.60% |
| Class D Notes | Class E Notes and Class F Notes | 1.60% |
| Class E Notes | Class F Notes | 0.80% |

The support percentage in the above table is the aggregate Invested Amount of the relevant Credit Support Notes, as a percentage of the aggregate Invested Amount of all Notes as at 21 October 2024 (after giving effect to any principal payments to be made in respect of the Notes on that day).

(e) **Mortgage Insurance Policies**

A High LTV master mortgage insurance policy issued by Genworth Financial Mortgage Insurance Pty Limited provides full coverage for all principal due on certain of the Mortgage Loans which are generally those which had a loan to value ratio greater than 80% at the time of origination.

Some Mortgage Loans which had a loan to value ratio greater than 80% at the time of origination may not be covered by any mortgage insurance policy, but the Seller may charge the borrower a low deposit premium. Mortgage Loans with a loan to value ratio less than or equal to 80% at the time of origination may not be covered by an individual or pool mortgage insurance policy, and are not covered by a High LTV master mortgage insurance policy issued by Helia Insurance Pty Limited.

(f) **Excess Available Income**

Any interest collections on the Mortgage Loans and Other Income Amounts of the Series Trust remaining after payments of:

(i) Class A1 Note interest, Class A1-R Note interest, Class A2 Note interest and the Class B Senior Interest Amount, the Class C Senior Interest Amount, the Class D Senior Interest Amount, the Class E Senior Interest Amount and the Class F Senior Interest Amount;

(ii) the Series Trust's expenses; and

(iii) the reimbursement of any unreimbursed Principal Draws,

will be available to cover any losses on the Mortgage Loans that are not covered by a Mortgage Insurance Policy.

## 2.5 Liquidity Enhancement

Payments of interest on the Notes will be supported by the following forms of liquidity enhancements.

(a) **Principal Draws**

To cover possible liquidity shortfalls in the payments of Class A1 Note interest or Class A1-R Note interest (as applicable), Class A2 Note interest, the Class B Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class B Notes), the Class C Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class C Notes), the Class D Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class D Notes), the Class E Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class E Notes) and the Class F Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class F Notes) and the other senior expenses of the Series Trust, the Manager will direct the Trustee to allocate available Principal Collections on the Mortgage Loans and other principal receipts of the Series Trust towards meeting the additional shortfall as described in Section 8.6 (*"Principal Draw"*) and Section 10.7 ("*Principal Draws*") of the Base Information Memorandum.

(b) **Liquidity Facility**

To cover possible liquidity shortfalls in the payments of Class A1 Note interest, Class A1-R Note interest, Class A2 Note interest, the Class B Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class B Notes), the Class C Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class C Notes), the Class D Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class D Notes), the Class E Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class E Notes) and the Class F Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class F Notes) and other senior expenses of the Series Trust, where Principal Draws have been exhausted, the Trustee will, in certain circumstances, be able to borrow funds under a Liquidity Facility to be provided by Commonwealth Bank of Australia as described in Section 8.7 ("*Liquidity Facility Advance*") and Section 10.8 (*"The Liquidity Facility"*) of the Base Information Memorandum.

## 2.6 Redraws and Further Advances

(a) **Use of collections to fund redraws and certain further advances**

Under the terms of each variable rate Mortgage Loan, a borrower may, subject to certain conditions, redraw previously prepaid principal. A borrower may redraw an amount equal to the difference between the scheduled principal balance, being its principal balance if no amount had been prepaid, of his or her loan and the current principal balance of the loan. Commonwealth Bank of Australia may also agree to make further advances to a borrower in excess of the scheduled principal balance of his or her loan, provided those Mortgage Loans are not non-performing loans.

The Trustee will reimburse Commonwealth Bank of Australia for redraws, and for any further advances that it advances to borrowers by applying available collections. For so long as Commonwealth Bank of Australia is also the Servicer, Commonwealth Bank of Australia may also apply available collections then held by it in reimbursement of redraws, and any further advances (as described above), that it has funded before depositing collections into the Collections Account of the Series Trust. In each case, collections may only be used to fund redraws and any further advances described above if the Manager confirms to the Trustee that it is satisfied on a reasonable basis that the Principal Collections for the Collection Period in which those redraws or further advances are so funded will exceed the aggregate of the amount of that reimbursement and any other reimbursement of redraws or further advances described above made in this manner during that same Collection Period and any Principal Draw anticipated by the Manager to be required on the Determination Date immediately following that Collection Period. To the extent that any such redraws and further advances remain unreimbursed as at the next Distribution Date following the Collection Period in which the redraw or further advance is made, the Seller will be entitled to be reimbursed from Principal Collections in the order specified in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*") of the Base Information Memorandum (as supplemented by Section 8.3 ("*Payment of the Available Principal Amount on a Distribution Date*") of this Supplemental Information Memorandum).

A consequence of the use of collections to fund redraws and further advances as described above will be to reduce the Principal Collections available to pay principal on the Notes on the next Distribution Date. However, the Series Trust will have a corresponding greater amount of Assets with which to make future payments.

Where Commonwealth Bank of Australia makes further advances which exceed the scheduled principal balance of a Mortgage Loan by more than one scheduled monthly instalment, then Commonwealth Bank of Australia may, in its absolute discretion, repurchase the loan from the pool.

(b) **Redraw Facility**

To cover any redraws and further advances made to borrowers under the Mortgage Loans which cannot be fully reimbursed from collections as described in the immediately preceding paragraphs, due to there being insufficient collections to fund that reimbursement, the Trustee will in certain circumstances, be able to borrow funds under a Redraw Facility to be provided by Commonwealth Bank of Australia as described in Section 10.9 ("*The Redraw Facility*") of the Base Information Memorandum.

## 2.7 Extraordinary Expense Reserve

The Extraordinary Expense Reserve is a sub-ledger of the Collections Account which was established on the Closing Date and funded by the Seller lending to the Trustee an amount equal to the Extraordinary Expense Reserve Required Amount.

The function of the Extraordinary Expense Reserve is to fund any out of pocket Expenses properly and reasonably incurred by the Trustee in relation to the Series Trust in respect of a Collection Period but which are not incurred in the ordinary course of business of the Series Trust ("**Extraordinary Expenses**").

If, on any Determination Date, the Manager determines that there are any Extraordinary Expenses in respect of the immediately preceding Collection Period, then the Manager must direct the Trustee to (and on such direction the Trustee must) withdraw an amount equal to the lesser of:

(a) the amount of such Extraordinary Expenses on that day; and

(b) the balance of the Extraordinary Expense Reserve on that day,

from the Extraordinary Expense Reserve on the following Distribution Date ("**Extraordinary Expense Reserve Draw**") and apply such amount towards payment or reimbursement of those Extraordinary Expenses.

In addition to making Extraordinary Expense Reserve Draws on a Distribution Date as described above, amounts will only be released from the Extraordinary Expense Reserve to be applied towards principal on the date on which all Notes are to be redeemed or otherwise applied in the circumstances described in Section 8.8 ("*Extraordinary Expense Reserve*") of the Base Information Memorandum.

For further details on the Extraordinary Expense Reserve, see Section 8.8 ("*Extraordinary Expense Reserve*") of the Base Information Memorandum.

## 2.8 Hedging Arrangements

The Trustee has entered into swaps to hedge the following risks:

(a) the basis risk between the interest rate on the Mortgage Loans which accrue interest at a discretionary variable rate of interest and the Compounded AONIA floating rate obligations of the Series Trust under the Notes; and

(b) the basis risk between the interest rate on the Mortgage Loans which accrue interest at a fixed rate of interest and the Compounded AONIA floating rate obligations of the Series Trust under the Notes.

On or before the Class A1-R Issue Date, the Trustee will also enter into a swap to hedge the basis risk between the amounts received under the swap transactions referred to above (which are calculated by reference Compounded AONIA) and the floating rate obligations of the Series Trust on the Class A1-R Notes (which are calculated by reference to the Bank Bill Rate).

For further details on the hedging arrangements in relation to the Series Trust, see Section 10.10 ("*The Interest Rate Swaps*") of the Base Information Memorandum as supplemented by Section 9.2 ("*The Interest Rate Swaps*") of this Supplemental Information Memorandum.

## 2.9 Optional Redemption

The Trustee will, if the Manager directs it to do so, at the Manager's option, redeem all (but not some) of the Notes on any Distribution Date occurring on or after the Call Date as described in Section 7.8(b) ("*Optional Redemption of the Notes*") of this Supplemental Information Memorandum.

## 2.10 The Mortgage Loan Pool

The Mortgage Loan pool consists of fixed rate and variable rate residential Mortgage Loans secured by mortgages on owner occupied and non-owner occupied residential properties.

The following is a summary of the characteristics of the Mortgage Loan pool as of the close of business on 30 September 2024:

| | |
|---|---|
| Number of Mortgage Loans | 1,905 |
| Mortgage Loan Pool Size | A$415,611,366 |
| Average Mortgage Loan Balance | A$218,169 |
| Maximum Mortgage Loan Balance | A$908,587 |
| Minimum Mortgage Loan Balance | A$1 |
| Total Valuation of the Properties | A$1,302,116,328 |
| Maximum Remaining Term to Maturity in Months | 314 |
| Maximum Current Loan-to-Value Ratio | 87.93% |
| Weighted Average Seasoning in Months | 104 |
| Weighted Average Remaining Term to Maturity in Months | 248 |
| Weighted Average Original Loan-to-Value Ratio | 66.31% |
| Weighted Average Current Loan-to-Value Ratio | 47.45% |
| Weight Average Interest Rate | 6.47% |

Subsequent to the Closing Date, certain existing Mortgage Loans were split into multiple Mortgage Loans in order to accommodate Borrower requests, including in relation to fixing interest rates.

For the purposes of calculating the summary of the characteristics of the Mortgage Loan pool above:

- statistics in relation to "*Number of Mortgage Loans (consolidated)*" and the "*Weighted Average Current Loan-to-Value Ratio (consolidated)*" are calculated as if all Mortgage Loans from a single Borrower constitute one single consolidated loan secured by all properties securing those Mortgage Loans, with the security valuations for the relevant properties securing the original Mortgage Loan and the split Mortgage Loan being allocated to the original Mortgage Loan; and

- for all other purposes, each Mortgage Loan is treated as an individual loan with:

    - any Mortgage Loan split into multiple Mortgage Loans as separate loans;

    - the new Mortgage Loan is taken to be originated as at the date the original Mortgage Loan was split; and

    - the original Mortgage Loan is taken to have been repaid by the amount of the balance of the newly created Mortgage Loan.

For further details see Appendix A ("*Mortgage Loan Information*") of this Supplemental Information Memorandum.

## 2.11 Payments on the Class A1-R Notes

(a) **Interest**

Interest on the Class A1-R Notes is calculated in the manner described in Section 7.7(b) ("*Calculation of interest on the Class A1-R Notes*") of this Supplemental Information Memorandum.

Interest on the Class A1-R Notes is payable monthly in arrears on each Distribution Date.

On each Distribution Date, the Available Income Amount (see the diagram in Section 2.12 ("*Allocation of Cash Flows*") of this Supplemental Information Memorandum) will be allocated to pay interest on the Notes (including the Class A1-R Notes) in the order of priority set out in Section 8.9 (*"Payment of Available Income Amount on a Distribution Date"*) of the Base Information Memorandum and summarised in the diagrams in Section 2.12 ("*Allocation of Cash Flows*") of this Supplemental Information Memorandum.

(b) **Principal**

On each Distribution Date, the Available Principal Amount (see the diagram in Section 2.12 ("*Allocation of Cash Flows*") of this Supplemental Information Memorandum) will be allocated to repay principal on the Class A1-R Notes and certain other amounts in the order of priority set out in Section 8.12 (*"Payment of Available Principal Amount on a Distribution Date"*) of the Base Information Memorandum (as supplemented by Section 8.3 ("*Payment of the*

*Available Principal Amount on a Distribution Date*") of this Supplemental Information Memorandum) and summarised in the diagrams in Section 2.12 ("*Allocation of Cash Flows*") of this Supplemental Information Memorandum.

The Trustee must repay the Invested Amount of the Class A1-R Notes on the Final Maturity Date if not repaid earlier.

## 2.12 Allocation of Cash Flows

On each Distribution Date the Trustee will allocate interest and principal to each Noteholder (including the Class A1-R Noteholders) to the extent of the Available Income Amount and Available Principal Amount on that Distribution Date available to be applied for these purposes. The charts on the succeeding pages summarise the flow of payments. For more detail, see Section 8 ("*Description of the Notes*") of the Base Information Memorandum.

**Determination of Available Income Amount in relation to each Distribution Date**

The following diagram assumes that the relevant Distribution Date occurs after the Class A1-R Issue Date.

**Finance Charge Collections**

Amounts received by the Trustee during the preceding Collection Period under the Mortgage Loans in respect of interest, fees and certain other charges.

+

**Mortgage Insurance Income Proceeds**

Amounts received pursuant to a mortgage insurance policy which the Manager determines should be accounted for in respect of a finance charge loss.

+

**Extraordinary Expense Reserve Draw**

Any Extraordinary Expense Reserve Draw to be made on that Distribution Date.

+

**Net amounts under Interest Rate Swap Agreements**

Net amounts receivable by the Trustee under any Interest Rate Swap Agreement on the immediately following Distribution Date (other than any Interest Rate Swap Provider Deposit or other swap collateral).

+

**Amounts under Support Facilities**

Other amounts receivable by the Trustee from a Support Facility Provider under a Support Facility (other than an Interest Rate Swap Agreement or the Liquidity Facility Agreement) on or prior to the immediately following Distribution Date which the Manager determines should be accounted for as income.

+

**Other Income Amounts**

Certain other amounts and certain other receipts in the nature of income (as determined by the Manager) received by the Trustee during the preceding Collection Period or which are otherwise deemed to constitute Other Income Amounts in relation to that Distribution Date.

+

**Principal Draw**

Any amount of the Available Principal Amount to be allocated to the Available Income Amount as a Principal Draw on that Distribution Date.

+

**Liquidity Facility Advance**

Any advance to be made under the Liquidity Facility on that Distribution Date.

=

**Available Income Amount**

**Payment of Available Income Amount on a Distribution Date**

The following diagram assumes that the relevant Distribution Date occurs after the Class A1-R Issue Date.

Unless previously paid during the relevant Financial Year, pay $1 to the Income Unitholder to be dealt with, and held by, the Income Unitholder absolutely.

↓

Pay or make provision for taxes of the Trust, if any.

↓

Pay to the Trustee its monthly fee.

↓

Pay to the Security Trustee its monthly fee.

↓

Pay to the Manager its monthly management fee.

↓

Pay to the Servicer its monthly fee.

↓

Pari passu and rateably:

- pay to the Liquidity Facility Provider the Liquidity Facility Commitment Fee due on that Distribution Date; and
- pay to the Redraw Facility Provider the Redraw Facility Commitment Fee payable under the Redraw Facility Agreement.

↓

Pari passu and rateably:

- pay any net amounts due to the Interest Rate Swap Provider under the Interest Rate Swap Agreement on that Distribution Date other than any Subordinated Termination Payment;
- pay the Liquidity Facility Interest (if any) due on that Distribution Date plus any Liquidity Facility Interest remaining unpaid from prior Distribution Dates; and
- pay the Redraw Facility Interest (if any) due on that Distribution Date plus any Redraw Facility Interest remaining updated from prior Distribution Date.

↓

Pay all expenses due in the relevant Accrual Period other than those referred to elsewhere in this diagram.

↓

Pay any outstanding Liquidity Facility Advance made on or prior to the previous Distribution Date to the Liquidity Facility Provider.

↓

Pay to the Class A1-R Noteholders, the interest due on the Class A1-R Notes for that Distribution Date together with any unpaid interest in relation to the Class A1-R Notes for previous Distribution Dates.

↓

Pay to the Class A2 Noteholders (pari passu and rateably) the interest due on the Class A2 Notes for that Distribution Date together with any unpaid interest in relation to the Class A2 Notes for previous Distribution Dates.

↓

Pay to the Class B Noteholders (pari passu and rateably) the senior interest amount due on the Class B Notes for that Distribution Date together with any unpaid senior interest amounts in relation to the Class B Notes for previous Distribution Dates.

↓

Pay to the Class C Noteholders (pari passu and rateably) the senior interest amount due on the Class C Notes for that Distribution Date together with any unpaid senior interest amounts in relation to the Class C Notes for previous Distribution Dates.

↓

Pay to the Class D Noteholders (pari passu and rateably) the senior interest amount due on the Class D Notes for that Distribution Date together with any unpaid senior interest amounts in relation to the Class D Notes for previous Distribution Dates.

↓

Pay to the Class E Noteholders (pari passu and rateably) the senior interest amount due on the Class E Notes for that Distribution Date together with any unpaid senior interest amounts in relation to the Class E Notes for previous Distribution Dates.

↓

Pay to the Class F Noteholders (pari passu and rateably) the senior interest amount due on the Class F Notes for that Distribution Date together with any unpaid senior interest amounts in relation to the Class F Notes for previous Distribution Dates.

↓

The amount of any Principal Draw Reimbursement for the immediately preceding Determination Date is to be allocated to the Available Principal Amount to be paid in accordance with “Payment of Available Principal Amount on a Distribution Date” below.

↓

The amount of the Principal Chargeoff Reimbursement for the immediately preceding Determination Date as an allocation to the Available Principal Amount to be paid in accordance with "Payment of Available Principal Amount on a Distribution Date" below.

↓

For allocation to the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve is equal to the Extraordinary Expense Reserve Required Amount.

↓

Pay to the Class B Noteholders (pari passu and rateably) the residual interest amount due on the Class B Notes for that Distribution Date together with any unpaid residual interest amounts in relation to the Class B Notes for previous Distribution Dates.

↓

Pay to the Class C Noteholders (pari passu and rateably) the residual interest amount due on the Class C Notes for that Distribution Date together with any unpaid residual interest amounts in relation to the Class C Notes for previous Distribution Dates.

↓

Pay to the Class D Noteholders (pari passu and rateably) the residual interest amount due on the Class D Notes for that Distribution Date together with any unpaid residual interest in amounts relation to the Class D Notes for previous Distribution Dates.

↓

Pay to the Class E Noteholders (pari passu and rateably) the residual interest amount due on the Class E Notes for that Distribution Date together with any unpaid residual interest amount in relation to the Class E Notes for previous Distribution Dates.

↓

Pay to the Class F Noteholders (pari passu and rateably) the residual interest amount due on the Class F Notes for that Distribution Date together with any unpaid residual interest amounts in relation to the Class F Notes for previous Distribution Dates.

↓

Pari passu and rateably:

- pay to the Liquidity Facility Provider any other amounts owing under the Liquidity Facility Agreement; and
- pay to the Redraw Facility Provider any other amounts owing under the Redraw Facility Agreement.

↓

Pay pari passu and rateably any Subordinated Termination Payments payable to the Interest Rate Swap Provider in accordance with the Interest Rate Swap Agreement.

↓

| |
|---|
| Pay to the Manager its arranging fee and any unpaid arranging fee from prior Distribution Dates. |

↓

| |
|---|
| Pay any remaining amounts to the Income Unitholder. |

**Determination of Available Principal Amount in relation to each Distribution Date**

The following diagram assumes that the relevant Distribution Date occurs after the Class A1-R Issue Date.

| **Principal Collections** |
| --- |
| Amounts received by the Trustee during the preceding Collection Period under the Mortgage Loans in respect of principal other than as described below. |

+

| **Other Principal Amounts** |
| --- |
| Includes prepayments of principal on the Mortgage Loans received by the Trustee during the preceding Collection Period or which are otherwise deemed to constitute Other Principal Amounts in relation to that Distribution Date, amounts received pursuant to a Mortgage Insurance Policy which the Manager determines should be accounted for on the preceding Determination Date in respect of a principal loss, certain other amounts received by the Trustee during the preceding Collection Period, certain other receipts in the nature of principal, as determined by the Manager, received by the preceding Determination Date, and, for the first Determination Date after the Class A1-R Issue Date, the amount of any surplus issuance proceeds of Class A1-R Notes after redemption in full of the Class A1 Notes. |

+

| **Principal Chargeoff Reimbursement** |
| --- |
| The amount allocated from the Available Income Amount on that Distribution Date towards unreimbursed Principal Chargeoffs. |

+

| **Principal Draw Reimbursement** |
| --- |
| The amount allocated from the Available Income Amount on that Distribution Date towards unreimbursed Principal Draws. |

=

| **Available Principal Amount** |
| --- |

**Payment of Available Principal Amount on a Distribution Date**

The following diagram assumes that the relevant Distribution Date occurs after the Class A1-R Issue Date.

**Principal Draws**

Allocate an amount to be applied as a Principal Draw for the immediately preceding Determination Date to the Available Income Amount to meet any Gross Income Shortfall.

↓

**Redraw Facility Principal Outstanding**

Repay pari passu and rateably to the Redraw Facility Provider the Redraw Facility Principal Outstanding until the Redraw Facility Principal Outstanding is reduced to zero.

↓

**Redraws and Further Advances**

Repay to the Seller any redraws and further advances under the Mortgage Loans, made by the Seller during or prior to the preceding Collection Period just ended for which the Seller is entitled to be repaid and which have not been previously repaid.

↓

**Step-Down Conditions not satisfied**

If the Step-Down Conditions have not been satisfied at the immediately preceding Determination Date, to be applied in the following order of priority:

- (**Class A1-R Notes**): first, to the Class A1-R Noteholders in or towards repayment of principal in respect of the Class A1-R Notes, pari passu and rateably amongst the Class A1-R Notes until the Invested Amount of the Class A1-R Notes is reduced to zero;
- (**Class A2 Notes**): next, to the Class A2 Noteholders, in or towards repayment of principal in respect of the Class A2 Notes, pari passu and rateably amongst the Class A2 Notes until the Invested Amount of the Class A2 Notes is reduced to zero;
- (**Class B Notes**): next, to the Class B Noteholders, in or towards repayment of principal in respect of the Class B Notes, pari passu and rateably amongst the Class B Notes until the Invested Amount of the Class B Notes is reduced to zero;
- (**Class C Notes**): next, to the Class C Noteholders, in or towards repayment of principal in respect of the Class C Notes, pari passu and rateably amongst the Class C Notes until the Invested Amount of the Class C Notes is reduced to zero;
- (**Class D Notes**): next, to the Class D Noteholders, in or towards repayment of principal in respect of the Class D Notes, pari passu and rateably

amongst the Class D Notes until the Invested Amount of the Class D Notes is reduced to zero;

- (**Class E Notes**): next, to the Class E Noteholders, in or towards repayment of principal in respect of the Class E Notes, pari passu and rateably amongst the Class E Notes until the Invested Amount of the Class E Notes is reduced to zero; and
- (**Class F Notes**): next, to the Class F Noteholders, in or towards repayment of principal in respect of the Class F Notes, pari passu and rateably amongst the Class F Notes until the Invested Amount of the Class F Notes is reduced to zero.

↓

**Step-Down Conditions are satisfied**

If the Step-Down Conditions have been satisfied at the immediately preceding Determination Date, to be applied pari passu and rateably:

- (**Class A1-R Notes**): to the Class A1-R Noteholders in or towards repayment of principal in respect of the Class A1-R Notes, pari passu and rateably amongst the Class A1-R Notes until the Invested Amount of the Class A1-R Notes is reduced to zero;
- (**Class A2 Notes**): to the Class A2 Noteholders in or towards repayment of principal in respect of the Class A2 Notes, pari passu and rateably amongst the Class A2 Notes until the Invested Amount of the Class A2 Notes is reduced to zero;
- (**Class B Notes**): to the Class B Noteholders in or towards repayment of principal in respect of the Class B Notes, pari passu and rateably amongst the Class B Notes until the Invested Amount of the Class B Notes is reduced to zero;
- (**Class C Notes**): to the Class C Noteholders in or towards repayment of principal in respect of the Class C Notes, pari passu and rateably amongst the Class C Notes until the Invested Amount of the Class C Notes is reduced to zero;
- (**Class D Notes**): to the Class D Noteholders in or towards repayment of principal in respect of the Class D Notes, pari passu and rateably amongst the Class D Notes until the Invested Amount of the Class D Notes is reduced to zero;
- (**Class E Notes**): to the Class E Noteholders in or towards repayment of principal in respect of the Class E Notes, pari passu and rateably amongst the Class E Notes until the Invested Amount of the Class E Notes is reduced to zero; and
- (**Class F Notes**): to the Class F Noteholders in or towards repayment of principal in respect of the Class F Notes, pari passu and rateably amongst the Class F Notes until the Invested Amount of the Class F Notes is reduced to zero.

↓

**Capital Unitholder**

| |
|---|
| Pay any remaining amounts to the Capital Unitholder. |

## 2.13 Miscellaneous

(a) **Transfer of Class A1-R Notes**

A Class A1-R Note can only be transferred if:

(i) (i) the relevant offer for sale or invitation to purchase:

A. does not require disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act;

B. is not made to a Retail Client; and

C. complies with all applicable laws in all jurisdictions in which the offer or invitation is made; and

(ii) (ii) the relevant offer or invitation is in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act (see Section 13 (*"Selling Restrictions"*) of this Supplemental Information Memorandum for more details).

In addition, for so long as the Class A1-R Notes are lodged in Australia (which it is intended that they will be after issue), any transfer of a Class A1-R Note must be in accordance with the Austraclear Regulations.

For further details, see Section 7.3 (*"Transfer of Class A1-R Notes"*) of this Supplemental Information Memorandum.

(b) **Stamp Duty**

The issue, transfer, or redemption of the Class A1-R Notes should not attract ad valorem stamp duty in any jurisdiction of Australia. For further details, see Section 11 (*"Taxation considerations"*) of this Supplemental Information Memorandum.

(c) **Withholding Tax and Tax File Numbers**

Payments of principal and interest on the Class A1-R Notes will be reduced by any applicable withholding taxes. The Trustee is not obligated to pay any additional amounts to Noteholders to cover any withholding taxes (including, without limitation, FATCA Withholding).

Under present law, interest and other amounts paid on the debentures will not be subject to Australian interest withholding tax if they are issued in accordance with certain prescribed conditions set out in section 128F of the Australian Tax Act and they are not acquired directly or indirectly by any Offshore Associate of the Trustee or Commonwealth Bank of Australia.

The Class A1-R Notes are intended to be offered in accordance with section 128F of the Australian Tax Act. Offshore Associates of the Trustee or Commonwealth Bank of Australia should not acquire any Class A1-R Notes. See Section 11 ("*Taxation considerations*") for further information.

Under current tax law, tax will be deducted on payments to a holder of a Class A1-R Note who is an Australian resident or a non-resident who holds the Class A1-R Note in connection with a business carried on at or through a permanent establishment in Australia, who does not provide the Trustee with a tax file number or Australian Business Number (where applicable) or proof of an exemption from the requirement to provide such details.

Noteholders and prospective Noteholders of Class A1-R Notes should obtain advice from their own tax advisers in relation to the tax implications of an investment in the Class A1-R Notes.

For further details see Section 11 (*"Taxation considerations"*) of this Supplemental Information Memorandum.

# 3 Some risk factors

The purchase, and subsequent holding, of the Class A1-R Notes is not free of risk. Prospective investors should carefully read and consider the risk factors set out in Section 3 ("*Some risk factors*") of the Base Information Memorandum (as if each reference to "Notes" and "Class A Notes" includes the Class A1-R Notes offered pursuant to this Supplemental Information Memorandum), as supplemented by the following paragraphs, prior to deciding whether to purchase any Class A1-R Notes. The Manager believes that the risks described below and in Section 3 ("*Some risk factors*") of the Base Information Memorandum are some of the principal risks inherent in the transaction for Noteholders and that the discussion in relation to the Class A1-R Notes indicates some of the possible implications for Noteholders. However, the inability of the Trustee to pay interest or principal on the Class A1-R Notes may occur for other unforeseen reasons and the Manager does not in any way represent that the description of the risks outlined in these sections is exhaustive. It is only a summary of some particular risks. Further, although the Manager believes that the various structural protections available to Noteholders lessen certain of these risks, there can be no assurance that these measures will be sufficient to ensure the payment or distribution of interest or principal on the Class A1-R Notes on a timely or full basis. Prospective investors should also read the detailed information set out elsewhere in this Supplemental Information Memorandum and in the Base 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 Class A1-R Notes.

## 3.1 Timing of Principal Payments

This Section 3.1 updates and is to be read in substitution for Section 3.3 ("*Timing of Principal Payments"*) of the Base Information Memorandum.

If the Class A1-R Notes were bought above face value, the yield on the Notes will drop if the principal payments occur at a faster than expected rate. If the Notes were bought below face value, the yield on the Notes will drop if principal payments occur at a slower than expected rate. Set out below is a description of some circumstances in which the Trustee may receive early or delayed repayments of principal on the Mortgage Loans and, as a result of which, the Noteholders may receive repayments of principal on the Notes earlier or later than would otherwise have been the case:

(a) enforcement proceeds received by the Trustee due to a borrower having defaulted on its Mortgage Loan;

(b) receipt of insurance proceeds by the Trustee in relation to an insurance claim in respect of a Mortgage Loan;

(c) repurchases of Mortgage Loans by Commonwealth Bank of Australia as a result of any one of the following occurring:

(i) the discovery and subsequent notice by the Trustee, Commonwealth Bank of Australia or the Manager, no later than 5 Business Days prior to the expiry of the Prescribed Period, that any of the representations and warranties made by Commonwealth Bank of Australia in respect of that Mortgage Loan were incorrect when given (see Section 6.7 ("Undertakings by the Seller") of the Base Information Memorandum);

(ii) Commonwealth Bank of Australia exercising its option to repurchase a Mortgage Loan following the making of a further advance under that Mortgage Loan which causes the scheduled principal balance for that Mortgage Loan to be exceeded by more than 1 scheduled monthly instalment;

(iii) a Potential Termination Event occurs which leads to the Series Trust being terminated early and the Mortgage Loans being repurchased by Commonwealth Bank of Australia or sold to a third party (see Section 9.1 ("*Termination of the Series Trust*")) of the Base Information Memorandum;

(iv) Commonwealth Bank of Australia exercising its option to repurchase the balance of the Mortgage Loans following the termination of the Series Trust or on any relevant Distribution Date falling on or after the Call Date (see Section 8.19 ("*Optional Redemption of the Notes – on or after the Call Date")* and Section 10.12 ("*Clean-Up*")) of the Base Information Memorandum;

(v) Commonwealth Bank of Australia electing to repurchase a Mortgage Loan where it has or proposes to agree to a request by the borrower to make certain changes affecting the Mortgage Loan (including but not limited to splitting or converting that Mortgage Loan to another loan type);

(vi) Commonwealth Bank of Australia electing to repurchase a Mortgage Loan where it has or proposes to agree to a request by the borrower for the provision of any other loan, credit or other financial accommodation (other than the Mortgage Loan) which would become subject to the same Collateral Security as the Mortgage Loan or would otherwise be held as an asset of the CBA Trust (see Section 6.4 "*Transfer and Assignment of the Mortgage Loans*") of the Base Information Memorandum;

(d) the Servicer is obliged to service the Mortgage 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 and servicing retail home loans. There is no definitive view as to whether the standards and practices of a prudent lender in the business of making and servicing retail home loans do or do not include the Servicer's own franchise considerations. If those considerations are included the Servicer would be entitled to consider its own reputation and future business writing prospects in making a determination as to how current Mortgage Loans are administered. Such a course may result in a delay of principal returns to Noteholders. The Servicer is, however, required to give undertakings as to how it will administer the Mortgage Loans (see Section 10.11(f) ("*Undertakings by the Servicer*") of the Base Information Memorandum) and comply with the express limitations in the Series Supplement;

(e) the terms and conditions of the Mortgage Loans and related securities allow borrowers, with the consent of Commonwealth Bank of Australia, to substitute their mortgaged property with a different mortgaged property without necessitating the repayment of the Mortgage Loan in full. Mortgage Loans which are secured by mortgaged property which may be substituted in this way may show a slower rate of prepayment than Mortgage Loans secured by mortgaged property which cannot be substituted in this way;

(f) the terms and conditions of a Mortgage Loan and its related securities may allow a borrower, at the discretion of Commonwealth Bank of Australia, to redraw funds previously prepaid by that borrower (see Section 7.4(c) ("*Redraws and Further Advances*")). This may slow the rate of prepayment on the Mortgage Loans;

(g) the mortgage which secures a Mortgage Loan may also secure other financial accommodation provided by Commonwealth Bank of Australia. If the mortgagor is in default under that other financial accommodation and Commonwealth Bank of Australia enforces the relevant mortgage, the proceeds of enforcement will be made

available to the Trustee (in priority to Commonwealth Bank of Australia) for repayment of the Mortgage Loan. This may in turn result in the relevant Mortgage Loan being prepaid earlier than would otherwise be the case. This may occur notwithstanding there being no default under the Mortgage Loan;

(h) hardship relief measures that may be available to obligors as a result of the COVID-19 pandemic or otherwise which may result in a delay in receiving repayments under the relevant Mortgage Loan. If there are a significant number of obligors who are accessing hardship relief measures, this may slow the rate of repayment on the Notes;

(i) political instability (such as the military conflict between Ukraine and Russia and also in the Middle East) or other significant changes in the political environment. These events may, for example, result in disruptions to supply chains, lack of availability of or increases to the cost of goods or services or other consequences, which may lead to a deterioration of economic conditions, job losses or financial hardship for borrowers. Such circumstances may then result in an increase in default rates among borrowers and/or a slower rate of prepayment under Mortgage Loans, which may slow the rate of repayment on the Notes); and

(j) the level of business activity, the rate of inflation and the performance of the Australian economy. For example, a decline in business activity, increased inflation or deterioration of Australian economic conditions may lead to increased default rates among borrowers and/or a slower rate of prepayment under Mortgage Loans, which may in turn slow the rate of repayment on the Notes. Conversely, an improvement in economic conditions may reduce the likelihood of borrower defaults and/or increase the rate prepayments under Mortgage Loans, which may in turn increase the rate of repayment on the Notes.

## 3.2 Delinquency and Default Risk

This Section 3.2 updates and is to be read in substitution for Section 3.6 ("*Delinquency and Default Risk"*) of the Base Information Memorandum.

The Trustee's obligations to pay interest and principal on the Notes in full is limited by reference to, amongst other things, receipts under or in respect of the outstanding Mortgage Loans. Noteholders must rely, amongst other things, for payment upon payments being made under the Mortgage Loans and on amounts available under any Mortgage Insurance Policies and, if and to the extent available, money to be drawn under the Liquidity Facility (see Section 10.10 ("*Mortgage Insurance*") and Section 10.8 ("*The Liquidity Facility*") of the Base Information Memorandum)).

If borrowers fail to make their monthly payments when due (other than when the borrower has prepaid principal under its Mortgage Loan, as to which see Section 3.4 ("*Prepayment then Non-Payment*") of the Base Information Memorandum), there is a possibility that the Trustee may have insufficient funds to make full payments of interest on the Notes and eventual payment of principal to the Noteholders.

A wide variety of local or international developments of a legal, social, economic, political, environmental (including natural disasters and/or climate related events such as bushfires, cyclones, severe storms, floods, drought and rising sea levels) or other nature could conceivably affect the performance of borrowers under their Mortgage Loans.

Some of the Mortgage Loans are as at the Preparation Date (or may in the future become) subject to fixed rates of interest for periods agreed between the borrower and Commonwealth Bank of Australia and those fixed rates may be lower than the variable rate of interest applicable

to Commonwealth Bank of Australia's variable rate loan products. It is possible, therefore, that if the variable rates applicable to Mortgage Loans increase significantly relative to recent or historical levels, or as fixed rate periods expire and borrowers are required to pay a variable rate that is significantly higher than the fixed rate previously applicable to their Mortgage Loan, borrowers may experience distress and increased default rates on the Mortgage Loans may result.

If a borrower defaults on payments to be made under a Mortgage Loan and the Servicer seeks to enforce the mortgage securing the Mortgage Loan, many factors may affect the length of time before the mortgaged property is sold and the proceeds of sale are realised. In such circumstances, the sale proceeds are likely to be less than if the sale was carried out by the borrower in the ordinary course. Any such delay and any loss incurred as a result of the realised proceeds of the sale of the property being less than the principal amount outstanding at that time under the Mortgage Loan may affect the ability of the Trustee to make payments under the Notes, notwithstanding any amounts that may be claimed under the relevant Mortgage Insurance Policy (see Section 3.11 ("*Mortgage Insurance*") and Section 10.10 ("*Mortgage Insurance*") of the Base Information Memorandum), or claimed under the Liquidity Facility (see Section 10.8 ("*The Liquidity Facility*") of the Base Information Memorandum.

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

## 3.3 National Consumer Credit Protection Act and Unfair Terms

This Section 3.3 updates and is to be read in substitution for Section 3.12 ("*Consumer Credit Legislation"*) of the Base Information Memorandum.

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

The Credit Code applies to any Mortgage Loans that had previously been regulated under the Consumer Credit Code. The Credit Code also applies to Mortgage Loans made after 1 July 2010 if the obligor is an individual or a strata corporation, there has been a charge for the provision of credit, the credit is provided for personal, domestic or household purposes or to purchase, renovate or improve residential property for investment purposes or to refinance that credit.

Some of the Mortgage Loans and related mortgages and guarantees are regulated by the Credit Code (and therefore the NCCP Act).

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 undertaking 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 Trustee and its service providers (including the Servicer) in respect of the Mortgage Loans.

Under the terms of the NCCP Act, the Trustee is 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 or other NCCP Act violations caused by the Servicer. There is no guarantee that the Servicer will have the financial capability to pay any civil or criminal penalties which arise from Credit Code or other NCCP Act 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 pay interest and repay principal in respect of the Notes.

A failure to comply with the NCCP Act may mean that court action is brought to:

(a) grant an injunction preventing a regulated Mortgage Loan from being enforced (or any other action in relation to the Mortgage Loan) if to do so would breach the NCCP Act;

(b) order compensation to be paid for loss or damage suffered (or likely to be suffered) as a result of a breach of a civil penalty provision or a criminal offence in the NCCP Act;

(c) if a credit activity has been engaged in without an Australian credit licence and no relevant exemption applies, obtain an order the court considers appropriate so that no profiting can be made from the activity, to compensate for loss and to prevent loss. This could include an order declaring a contract, or part of a contract, to be void, varying the contract, refusing to enforce contract terms, ordering a refund of money or return of property, payment for loss or damage or being ordered to supply specified services;

(d) vary the terms of a Mortgage Loan on the grounds of hardship or that it is an unjust contract;

(e) reopen the transaction that gave rise to a contract relating to a Mortgage Loan on the grounds that it is unjust under the NCCP Act, which may include relieving a borrower or guarantor from payment, discharging the mortgage or any other order the court sees fit; reduce or cancel any interest rate, fee or charge payable on the Mortgage Loan which is unconscionable;

(f) have certain provisions of a Purchased Receivable which are in breach of the legislation declared void or unenforceable;

(g) impose a penalty or require compensation be paid to an affected debtor for a breach of "key requirements" under the NCCP Act, which include certain content and disclosure requirements for the contracts relating to the Mortgage Loan or related mortgage or guarantee;

(h) obtain restitution or compensation from the credit provider to be paid to any person affected by a breach of the NCCP in relation to the Mortgage Loan or related mortgage or guarantee; or

(i) seek various other penalties and remedies for other breaches of the NCCP Act, such as failing to comply with the breach reporting regime.

The parties with standing to seek the above actions are prescribed by the NCCP Act and the Credit Code, and may include a party to the credit contract, a guarantor, mortgagor or ASIC.

As a condition of the Servicer holding an Australian credit licence and the Trustee being able to perform its role, the Servicer and the Trustee must also allow each obligor to have access to the Australian Financial Complaints Authority ("**AFCA**"), which has power to resolve disputes below the relevant threshold.

The scope to challenge an adverse determination by AFCA is limited, and a decision is not subject to judicial review. Any such order (by a court or AFCA) may affect the timing or amount of interest, fees or charges, or principal payments repayments under the relevant Mortgage Loans (which might in turn affect the timing or amount of interest or principal payments under the Notes).

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

Under the Credit Code, ASIC can make an application to vary the terms of a contract or a class of contracts on the above grounds if this is in the public interest (rather than limiting these rights to affected debtors). ASIC also has the power to intervene in any proceedings arising under the NCCP Act or Credit Code.

ASIC can also intervene by making individual or market-wide product intervention orders in relation to credit products regulated under the NCCP Act, if it is satisfied that a person is engaging, or is likely to engage, in credit activity in relation to a credit contract, mortgage, guarantee or consumer lease (**credit product**) or a proposed credit product, and the credit product has resulted, will result or is likely to result in significant consumer detriment. Product intervention orders issued by ASIC only operate prospectively, or in other words, apply to products issued or sold after the date of the order. Some examples of the kinds of orders that ASIC can make include:

(a) impose certain conditions on a product;

(b) ban a particular feature of a product; or

(c) ban the issue of the product altogether.

ASIC has exercised its power to make product intervention orders to impose conditions which limit:

(d) credit fees and charges, and interest charges which may be imposed or provided for under short term credit facilities; and

(e) fees and charges which may be imposed or provided for under continuing credit contracts.

Any order (by a court or AFCA) made under the NCCP Act may affect the timing or amount of interest, fees or charges or principal payments under the relevant Mortgage Loan (which may in turn affect the timing or amount of interest or principal payments under the Notes).

***Unfair Terms***

In certain circumstances, the Mortgage Loans may be subject to review under Part 2 of the Australian Securities and Investments Commission Act 2001 (Cth) ("**ASIC Act**") and/or

Part 2B of the Fair Trading Act 1999 (Vic) ("**Fair Trading Act**") for being unfair.

Part 2 of the ASIC Act includes a national unfair contract terms regime, whereby a term of a standard-form consumer contract (renewed, varied or entered into from July 2010) or a small business contract (renewed, varied or entered into from 12 November 2016) will be unfair, and therefore void, if:

(a) it causes a significant imbalance in the parties' rights and obligations under the contract;

(b) it is not reasonably necessary to protect the supplier's legitimate interests; and

(c) it would cause financial or non-financial detriment to a party if it was relied on.

A consumer contract is one with an individual, whose use of what is provided under the contract is wholly or predominantly for personal, domestic or household use or consumption.

For contracts:

(a) entered into before 9 November 2023, a small business contract is one where, at the time the contract is entered into, at least one party to the contract is a business that employs less than 20 people and the upfront price payable under the contract is either:

- $300,000 or less if the contract has a duration of 12 months or less; or
- $1,000,000 or less, if the contract has a duration of more than 12 month; or

(b) entered into, renewed or varied on or after 9 November 2023, a small business includes a small business that employs fewer than 100 employees or has a turnover of less than $10,000,000, and the upfront price payable under the contract is $5,000,000 or less.

A term that unfair will be void however, but the contract will continue to if it is capable of operating without the unfair term.

Under the Victorian regime a term in a consumer contract would be 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 and is not reasonably necessary in order to protect the legitimate interests of the party who would be advantaged by the term.

Also on 1 July 2010, Victoria amended its unfair terms regime (contained in Part 2B of the Fair Trading Act) to follow the wording in the national regime. Victoria's unfair terms regime had applied to certain credit contracts since 10 June 2009. The Victorian and/or the national unfair terms regime may apply to Mortgage Loans, depending when the Mortgage Loans were entered into. However, the Victorian regime was repealed and ceased to apply to new contracts entered into or renewed after 1 January 2011. From 1 January 2011, the national regime applied across all states and territories.

Mortgage Loans entered into before the application of either the Victorian or the national unfair terms regime will become subject to the national regime going forward if those contracts are renewed or a term is varied (although, where a term is varied, the regime only applies to the varied term). Any finding that a term of a Mortgage Loan is unfair and therefore void may, depending on the relevant term, affect the timing or amount of interest, fees or charges, or principal repayments under the relevant Mortgage Loans which might in turn affect the timing or amount of interest or principal payments under the Notes.

From 9 November 2023, amendments to the national unfair terms regime (outlined in the *Treasury Laws* Amendment *(More Competition, Better Prices*) *Act 2022)* took effect to:

(a) expand the class of small business contracts (as noted above);

(b) introduce civil penalties for each contravention of the prohibition on proposing, applying or relying on an unfair contract term in a standard form contract; and

(c) introduce more flexible remedies to allow courts to order additional remedies including further injunctive powers once a term has been declared unfair.

The amendments took effect and apply to all contracts entered into, renewed or varied on or after 9 November 2023.

## 3.4 Changes in the Features of Mortgage Loans

This Section 3.4 ("*Changes in Features of Mortgage Loans*") updates and is to be read in substitution for Section 3.15 ("*Changes in Features of Mortgage Loans*") updates of the Base Information Memorandum.

The features of the Mortgage Loans, including their interest rates, may be changed by Commonwealth Bank of Australia, either on its own initiative or at a borrower's request. Some of these changes may include the addition of newly developed features which are not described in this Supplemental Information Memorandum. As a result of these changes and borrowers' payments of principal, the concentration of Mortgage Loans with specific characteristics is likely to change over time, which may affect the timing and amount of payments investors receive.

If Commonwealth Bank of Australia changes the features of the Mortgage Loans or fails to offer desirable features offered by their competitors, borrowers might elect to refinance their loan with another lender to obtain more favourable features. In addition, the Mortgage Loans included in the Series Trust are not permitted to have some features. If a borrower chooses to add one of these features to his or her Mortgage Loan, in effect the Mortgage Loan will be repaid and a new Mortgage Loan will be written which will not form part of the Assets of the Series Trust. In addition, where the Mortgage Loan becomes subject to a Product Change (see Section 10.4 ("*Product* Changes")) Commonwealth Bank of Australia may elect to repurchase the Mortgage Loan from the Series Trust for an amount at least equal to the Fair Market Value (as defined in Section 9.4) of that Mortgage Loan. The refinancing or removal of Mortgage Loans could cause investors to experience higher rates of principal prepayment than investors expected, which could affect the yield on Notes.

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

This Section 3.5 updates and is to be read in substitution for Section 3.29 ("*Australian Anti-Money Laundering and Counter-Terrorism Financing Regime"*) of the Base Information Memorandum.

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) ("**AML/CTF Act**") regulates the anti-money laundering and counter-terrorism financing obligations of financial services providers.

Under the AML/CTF Act if an entity has not met its obligations under the AML/CTF Act, the entity will be prohibited from providing a "designated service" which includes (among other things):

(a) opening or providing an account, allowing any transaction in relation to an account or receiving instructions to transfer money in and out of an account where the account provider is an authorised deposit-taking institution, bank, building society or credit union;

(b) making loans in the course of carrying on a loans business or allowing a transaction to occur in respect of that loan in certain circumstances;

(c) providing a custodial or depository service;

(d) acting in the capacity of an agent of a person acquiring or disposing of securities;

(e) issuing or selling a security or derivative in the course of varying on a business of issuing or selling securities or derivatives; and

(f) exchanging one currency for another where the exchange is provided in the course of carrying on a currency exchange business.

The obligations contained in the AML/CTF Act include (among other things), undertaking customer identification procedures before a designated service is provided. Generally, until these obligations have been met an entity will be prohibited from providing funds or services to a party or making any payments on behalf of a party. The obligations also include, but are not limited to, conducting ongoing customer due diligence and reporting of suspicious and other transactions.

AUSTRAC has a broad range of enforcement tools where an entity breaches its obligations under the AML/CTF Act, including commencing civil penalty proceedings in respect of civil penalty provisions, applying for injunctive relief, issuing infringement notices in respect of certain breaches of the AML/CTF Act, issuing remedial directions requiring reporting entities to comply with the AML/CTF Act, requiring reporting entities to give enforceable undertakings or appointing an external auditor. The obligations contained in the AML/CTF Act may have an impact on dealings related to the Assets of the Series Trust.

## 3.6 Australian sanctions laws regime

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

The obligations placed upon an entity could affect the services of an entity or the funds it provides and ultimately may result in a delay or decrease in the amounts received by a Noteholder.

## 3.7 Application of the Personal Property Securities regime

This Section 3.7 updates and is to be read in substitution for Section 3.30 ("*Application of the Personal Property Securities regime"*) of the Base Information Memorandum.

A national person property securities regime commenced operation throughout Australia on 30 January 2012 pursuant to the Personal Property Securities Act 2009 ("**PPSA**"). The PPSA established a national system for the registration of security interests in personal property, and introduced rules for the creation, priority and enforcement of security interests in personal property.

Security interests for the purposes of the PPSA include traditional securities such as charges and mortgages over personal property. However, they also include transactions that in substance, secure payment or performance of an obligation but may not have been previously legally classified as securities. Further, certain other interests are deemed to be security interests whether or not they secure payment or performance of an obligation - these deemed security interests include assignments of certain monetary obligations.

A person who holds a security interest under the PPSA will need to register (or otherwise perfect) the security interest to ensure that the security interest has priority over competing interests (and in some cases, to ensure that the security interest survives the insolvency of the grantor). If they do not do so, the consequences include the following:

(a) another security interest may take priority;

(b) another person may acquire an interest in the assets which are subject to the security interest free of their security interest; and

(c) they may not be able to enforce the security interest against a grantor who becomes insolvent.

The Transaction Documents contain security interests for the purposes of the PPSA. For example, the assignment of the Mortgage Loans is a deemed security interest under the PPSA and the Charge is also a security interest under the PPSA. The Manager has caused registrations to be made on the Personal Property Securities Register in relation to the assignment of the Mortgage Loans to the Series Trust and the Charge.

Under the Security Trust Deed, the Trustee has agreed not to create or allow another interest in any Collateral that is subject to the Charge unless expressly permitted by the Transaction Documents or unless the Security Trustee consents. The Trustee may, without the consent of the Security Trustee, create or allow another interest in, or dispose of, any Mortgage Loan in the ordinary course of its business unless otherwise prohibited under the Transaction Documents.

However, under Australian law:

- dealings by the Trustee with the Mortgage Loans in breach of such undertaking may nevertheless have the consequence that a third party acquires title to the relevant Mortgage Loans free of the Charge or another security interest over such Mortgage Loans has priority over that security interest; and

- contractual prohibitions upon dealing with the Mortgage Loans (such as those contained in the Security Trust Deed) will not of themselves prevent a third party from obtaining priority or taking such Mortgage Loans free of the Charge (although the Security Trustee would be entitled to exercise remedies against the Trustee in respect of any such breach by the Trustee).

Whether this would be the case, depends upon matters including the nature of the dealing by the Trustee, the particular Mortgage Loan concerned and the actions of the relevant third party.

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

## 3.8 Securitisation Regulation Rules

Section 3.31 ("*European Union Due Diligence and Retention Rules"*) of the Base Information Memorandum is updated and substituted by the information set out in Section 1.15 ("*Securitisation Regulation Rules*") of this Supplemental Information Memorandum.

## 3.9 Japanese Due Diligence and Retention Rules

Section 3.32 ("*Japanese Risk Retention Rules*") is updated and substituted by the information set out in Section 1.16 ("*Japanese Due Diligence and Retention Rules*") of this Supplemental Information Memorandum.

## 3.10 Effects of other financial regulatory measures

In Europe, the U.S., Japan and elsewhere there continues to be 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 (amongst other things) 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, may expose certain investors to the risk of other regulatory sanctions for any failure to comply with such measures, 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 Commonwealth Bank of Australia, the Trustee or the Manager makes any representation to any prospective investor or purchaser of the Class A1-R Notes regarding the regulatory capital treatment of their investment on the Class A1-R Issue Date or at any time in the future.

In particular investors should be aware of the EU Securitisation Regulation Rules and the UK Securitisation Regulation Rules (each as described in Section 1.15 ("*Securitisation Regulation Rules*")) and the Japanese Due Diligence and Retention Rules (as described in Section 1.16 ("*Japanese Due Diligence Retention Rules*")).

There can be no assurance that the regulatory capital treatment of the Notes for any investor will not be affected by, or that there will not be other regulatory implications arising from, any future implementation of, and changes to, the EU Securitisation Regulation Rules, the UK Securitisation Regulation Rules, the Japanese Due Diligence and Retention Rules or other regulatory or accounting changes.

Prospective investors in the Class A1-R Notes should analyse their own regulatory position, and should consult with their own investment and legal advisers regarding application of, and compliance with, the EU Securitisation Regulation Rules, the UK Securitisation Regulation Rules, the Japanese Due Diligence and Retention Rules and any other applicable regulatory or accounting rules and the suitability of the Class A1-R Notes for investment.

## 3.11 Foreign Account Tax Compliance

This Section 3.11 updates and is to be read in substitution for Section 3.35 ("*Foreign Account Tax Compliance"*) of the Base Information Memorandum.

Under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**"), a 30% withholding ("**FATCA withholding**") may be required if (i)(A) an investor does not provide information sufficient for the Trustee or any non-U.S. financial institution ("**FFI**") through which payments on the Notes are made to determine the Noteholder's status under FATCA, or (B) an FFI to or through which payments on the Notes are made is a "non-participating FFI"; and (ii) the Notes are treated as debt for U.S. federal income tax purposes and the payment is made in respect of Notes issued or modified after the date that is six months after the date on which final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register, or the Notes are treated as equity for U.S. federal income tax purposes or do not have a fixed term, whenever issued.

FATCA withholding is not expected to apply on payments made before the date that is two years after the date on which final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register.

Reporting Australian Financial Institutions ("**RAFI**") under the Australia–U.S. FATCA Intergovernmental Agreement dated 28 April 2014 ("**Australian IGA**") must comply with specific due diligence procedures. In general, these procedures seek to identify account holders

and provide the Australian Taxation Office ("**ATO**") with information on financial accounts held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the U.S. Internal Revenue Service. Consequently, Noteholders may be requested to provide certain information and certifications to the Trustee and to any other financial institutions through which payments on the Notes are made. A RAFI that complies with its obligations under the Australian IGA will not be subject to FATCA withholding on amounts it receives, and will not be required to deduct FATCA withholding from payments it makes, other than in certain prescribed circumstances.

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no additional amounts will be paid by the Trustee as a result of the deduction or withholding.

**FATCA is particularly complex legislation.**

**Investors should consult their own tax advisers to determine how FATCA and the Australian IGA may apply to them under the Class A1-R Notes.**

## 3.12 Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("**CRS**") requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

## 3.13 Risks relating to BBSW and other benchmarks

Interest rate benchmarks (such as the BBSW) have been and continue to be the subject of national and international regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Class A1-R Notes.

In Australia, examples of reforms that are already effective include the replacement of the Australian Financial Markets Association as BBSW administrator with ASX Benchmarks Pty Limited (ABN 38 616 075 417), changes to the methodology for calculation of BBSW, and amendments to the Corporations Act 2001 (Cth) made by the Treasury Laws Amendment (2017 Measures No. 5) Act 2018 (Cth) which, among other things, enable ASIC to make rules relating to the generation and administration of financial benchmarks. On 6 June 2018, ASIC designated BBSW as a "significant financial benchmark" and made the ASIC Financial Benchmark (Administration) Rules 2018 and the ASIC Financial Benchmarks (Compelled) Rules 2018.

Although many of the Australian reforms were designed to support the reliability and robustness of BBSW, it is not possible to predict with certainty whether, and to what extent, BBSW will continue to be supported or the extent to which related regulations, rules, practices or methodologies may be amended going forward. This may cause BBSW to perform differently than it has in the past, and may have other consequences which cannot be predicted. For example, it is possible that these changes could cause BBSW to cease to exist, to become commercially or practically unworkable, or to become more or less volatile or liquid. Any such changes could have a material adverse effect on the Class A1-R Notes.

Investors should be aware that the Reserve Bank of Australia ("**RBA**") has recently expressed a view that calculations of BBSW using 1-month tenors are not as robust as calculations using tenors of 3-months or 6-months, and that users of 1-month tenors such as the securitisation markets should be preparing to use alternative benchmarks such as the RBA cash rate or 3-month BBSW. The RBA has also amended its criteria for repo eligibility to include a requirement that floating rate notes and marketed asset-backed securities issued on or after 1 December 2022 that reference BBSW must contain at least one "robust" and "reasonable and fair" fallback rate for BBSW in the event that it permanently ceases to exist, if such securities are to be accepted by the RBA as being eligible collateral for the purposes of any repurchase agreements to be entered into with the RBA. The Australian Securitisation Forum published the "ASF Market Guideline on BBSW fallback provisions" on 11 November 2022 ("**ASF Market Guideline**") for voluntary use in contracts that reference BBSW to assist market participants to meet the requirements of the RBA's updated criteria, with a view to these becoming standardised fallback provisions for BBSW-linked securitisation issuances. The Series Supplement will incorporate fallback provisions for the Class A1-R Notes that are consistent with the ASF Market Guidelines and which apply in the event of a temporary disruption or permanent discontinuation of the benchmark rate. The fallback methodology involves the use of alternative benchmark rates (to the extent available) as the benchmark rate applicable to the Class A1-R Notes, including (i) in the case of a Permanent Discontinuation Trigger affecting BBSW, AONIA; (ii) in the event of a Permanent Discontinuation Trigger affecting AONIA, the RBA Recommended Rate; and (iii) in the event of a Permanent Discontinuation Trigger affecting the RBA Recommended Rate, the Final Fallback Rate.

Any such alternative benchmark rates may, at the relevant time, be difficult to calculate, be more volatile than originally anticipated or not reflect the funding cost or return anticipated by investors.

For example, whereas BBSW is expressed on the basis of a forward-looking term and is based on observed bid and offer rates for Australian prime bank eligible securities (which bid and offer rates may incorporate a premium for credit risk) AONIA is an overnight, 'risk-free' cash rate and will be applied to calculate interest on the Class A1-R Notes by methodology involving compounding in arrears using observed rates and the application of a spread adjustment. Accordingly, where AONIA (or any other benchmark rate determined by compounding in arrears) applies in respect of the Class A1-R Notes, it may be difficult for investors in the Class A1-R Notes to estimate reliably in advance the amount of interest which will be payable on those Notes for a particular Accrual Period.

No assurances can be provided that AONIA or any other alternate benchmark rate applicable in relation to the Class A1-R Notes as described above will have characteristics that are similar to, or be sufficient to produce the economic equivalent of, BBSW or any other alternate rate which may have previously applied at any time under the framework described above.

For the purposes of determining payments of interest on the Class A1-R Notes, investors should be aware that the Series Supplement provides for certain fall back arrangements in the event that BBSW cannot be determined. Investors should also be aware that although the Manager needs to have regard to the comparable indices then available (if any), the Manager retains discretion in connection with the determination of the BBSW fall back rate.

Any such alternate benchmark rates may also, at the relevant time, be difficult to calculate, be more volatile than originally anticipated or not reflect the funding cost or return anticipated by investors.

Certain amendments may be made to the Transaction Documents without the consent of the Noteholders or other Secured Creditors if at any time a Permanent Discontinuation Trigger occurs with respect to BBSW (or other Applicable Benchmark Rate) and the Manager

determines that such amendments to the Transaction Documents are necessary to give effect to the application of the applicable Fallback Rate in the manner contemplated by Section 7.10 ("*Benchmark Amendments*"). See Section 7.7 ("*Interest on the Class A1-R Notes*") for further details.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by BBSW reforms, the potential for BBSW to be discontinued, and the potential application and risks associated with the potential application of AONIA and other Applicable Benchmark Rates in making any investment decision with respect to any Class A1-R Notes.

### 3.14 COVID-19 may adversely affect investors in the Class A1-R Notes

While the restrictions designed to stop the spread of COVID-19 have been removed in many countries, the measures taken by governments continue to have residual impacts on local economies and international markets. In Australia, certain sectors continue to recover (at varying rates) from the effects of prolonged restrictions. The long-term impacts of these measures, and whether there will be a need for such measures to be re-instated (across Australia and/or across the world), remains uncertain. The increased credit risk in affected sectors and elevated levels of household financial stress may result in an increase in losses if customers default on their loan obligations and/or higher capital requirements through an increase in the probability of default.

Vaccination rates in OECD economies, including Australia, are generally high. However, the distribution of vaccines globally is uneven and the long-term efficacy of vaccines remains uncertain (particularly against new variants of the virus). There is a risk that this could prolong COVID-19 and the associated negative economic impacts.

Globally, governments and central banks (including in Australia) introduced fiscal and monetary stimulus packages designed to counter the negative impacts of COVID-19. The unwinding of these stimulatory policies and measures over time presents downside risk to economies, with the potential to exacerbate existing negative effects on businesses and households.

Deterioration of, or instability in Australian and international capital and credit markets, and economies generally, may adversely affect the liquidity, performance and/or market value of mortgage-backed securities, including the Class A1-R Notes.

The circumstances described above have led to an increased level of unemployment in Australia and could also lead to job losses or wage reductions for Debtors which may adversely affect the ability of such Debtors to make timely payments on their Mortgage Loans. In circumstances where a Debtor has difficulties in making the scheduled payments in respect of its Mortgage Loans, the Servicer may elect that the Mortgage Loan be varied on the grounds of hardship (including to defer scheduled payments of principal and interest on the Mortgage Loan for an agreed period). Any failure to make scheduled payments by a Debtor, or a variation of the terms of such scheduled payments in respect of a Mortgage Loan on the grounds of hardship, may affect the ability of the Trustee to make payments, and the timing of those payments, in respect of the Notes. No assurance can be given that a Mortgage Loan will not become subject to such hardship arrangements whether due to the COVID-19 pandemic or other factors.

### 3.15 Turbulence in Financial Markets and Economy

Market and economic conditions during the past several years (and particularly during the COVID-19 pandemic, discussed in Section 3.14 ("*COVID-19 may adversely affect investors in the Class A1-R Notes*") above) have caused significant disruption in the credit markets.

Increased market uncertainty and instability in both Australian and international capital and credit markets, combined with increased rates of inflation, political instability (such as the military conflict between Ukraine and Russia and recently in the Middle East), declines in business and consumer confidence and increased unemployment, have contributed to volatility in domestic and international markets and may negatively affect the Australian housing market.

Such disruptions in markets and credit conditions have had (in some cases), and may continue to have, the effect of depressing the market values of residential mortgage-backed securities and reducing the liquidity of residential mortgage-backed securities generally. These factors may adversely affect the performance, marketability and overall market value of the Notes.

# 4 The Trustee, Commonwealth Bank of Australia, the Manager and the Security Trustee

## 4.1 The Trustee

Perpetual Trustee Company Limited (in its personal capacity) was incorporated on 28 September 1886 as Perpetual Trustee Company (Limited) under the Companies Statute of New South Wales as a public company. The name was changed to Perpetual Trustee Company Limited on 14 December 1971 and the Trustee now operates as a limited liability public company under the Corporations Act. The Australian Business Number of Perpetual Trustee Company Limited is 42 000 001 007. Perpetual Trustee Company Limited is registered in New South Wales and its registered office is at Level 18, 123 Pitt Street, Sydney, Australia.

Perpetual Trustee Company Limited is a wholly owned subsidiary of Perpetual Limited which is a publicly owned company listed on the Australian Securities Exchange. The principal activities of Perpetual Trustee Company Limited are the provision of trustee and other commercial services. Perpetual Trustee Company Limited is an authorised trustee corporation, and holds an Australian Financial Services Licence under Part 7.6 of the Corporations Act (Australian Financial Services Licence No. 236643).

## 4.2 The Seller

The Commonwealth Bank of Australia was established in 1911 by an Act of Australia's Commonwealth Parliament as a government owned enterprise to conduct commercial and savings banking business. For a period it also operated as Australia's central bank until this function was transferred to the Reserve Bank of Australia in 1959. The process of privatisation of the Commonwealth Bank of Australia was commenced by Australia's Commonwealth Government in 1990 and was completed in July 1996. The Commonwealth Bank of Australia is now a public company listed on the Australian Securities Exchange. Its registered office is at Commonwealth Bank Place South, Level 1, 11 Harbour Street, Sydney, New South Wales, Australia.

As at 30 June 2024, Commonwealth Bank of Australia had a long term credit rating of AA- (stable outlook) from Fitch Ratings, Aa2 (stable outlook) from Moody's Investor Services and AA- (stable outlook) from S&P and a short term credit rating of F1+ from Fitch Ratings, P-1 from Moody's Investor Services and A-1+ from S&P.

As at 30 June 2024, Commonwealth Bank of Australia and its subsidiaries, on a consolidated International Financial Reporting Standards basis, had total assets of A$1,254 billion, total deposits and other public borrowings of A$883 billion and made a net profit attributable to equity holders of the Bank for the full year ended 30 June 2024 of A$9,394 million. Total regulatory capital under Basel III was A$98 billion.

The Australian banking activities of the Commonwealth Bank of Australia come under the regulatory supervision of the Australian Prudential Regulation Authority.

Although not incorporated by reference in this Supplemental Information Memorandum, the annual report, quarterly trading updates and continuous disclosure notices in relation to Commonwealth Bank of Australia are available online at www.asx.com.au.

## 4.3 The Manager

The Manager, Securitisation Advisory Services Pty. Limited, is a wholly owned subsidiary of Commonwealth Bank of Australia. Its principal business activity is the management of securitisation trusts established under Commonwealth Bank of Australia's Medallion Trust Programme and the management of other securitisation programmes and a covered bond programme established by Commonwealth Bank of Australia or its customers. The Manager's registered office is Commonwealth Bank Place South, Level 1, 11 Harbour Street, Sydney, New South Wales, Australia.

The Manager has obtained an Australian Financial Services License under Part 7.6 of the Australian Corporations Act (Australian Financial Services License No. 241216).

## 4.4 The Security Trustee

The Security Trustee, P.T. Limited, is a wholly owned subsidiary of Perpetual Trustee Company Limited. P.T. Limited is a public company established under the laws of Australia. Perpetual Trustee Company Limited has appointed P.T. Limited to act as its authorised representative under its Australian Financial Services License (Authorised Representative Number 266797). The Security Trustee's registered office is Level 18, 123 Pitt Street, Sydney, Australia. The principal activities of P.T. Limited are the provision of trustee and other commercial services. P.T. Limited and its related companies provide a range of services including custodian and administrative arrangements to the funds management, superannuation, property, infrastructure and capital markets.

# 5 The Series Trust

## 5.1 General

The Series Trust was established under the Medallion Trusts Programme on 26 September 2019 pursuant to the Master Trust Deed and the Series Supplement. The Series Trust is separate and distinct from any other trust established under the Master Trust Deed. The Assets of the Series Trust are not available to meet the liabilities of any other trust and the assets of any other trust are not available to meet the liabilities of the Series Trust. For further detail regarding the establishment and structure of the Series Trust, see Section 5 ("*Description of the Series Trust*") of the Base Information Memorandum.

For a description of the role, duties, powers and terms of appointment of the Trustee, the Manager, the Servicer, the Custodian and the Support Facility Providers in relation to the Series Trust, see Section 10 ("*Description of the Transaction Documents*") of the Base Information Memorandum.

The Series Trust may be terminated in the circumstances described in Section 9 ("*Termination of the Series Trust*") of the Base Information Memorandum.

## 5.2 Assets of the Series Trust

The Assets of the Series Trust primarily consist of the Mortgage Loans and related Mortgage Loan Rights that were originated by Commonwealth Bank of Australia and acquired by the Trustee from Commonwealth Bank of Australia on the Closing Date. No further Mortgage Loans have been or will be acquired as Assets of the Series Trust. The assignment of the Mortgage Loans to the Trustee occurred in equity only and accordingly the Trustee only obtained an equitable interest in the Mortgage Loans and Mortgage Loan Rights assigned to it. The Trustee will not be entitled to take any steps to perfect its legal title or give notice to any party to the Mortgage Loan Documents of the assignment unless a Perfection of Title Event occurs as described in the Base Information Memorandum and has not taken any such steps as at the Preparation Date of this Supplemental Information Memorandum.

For further details about the Assets of the Series Trust and the acquisition of the Mortgage Loans by the Trustee on the Closing Date, see Section 6 ("*Description of the assets of the Series Trust*") of the Base Information Memorandum.

Commonwealth Bank of Australia will have the right (but not the obligation) to extinguish the Trustee's interest in the Mortgage Loan Rights, or to otherwise regain the benefit of the Mortgage Loan Rights on any Distribution Date occurring on or after the Call Date (as described in Section 10.11 ("*Clean-Up*") of the Base Information Memorandum).

The information in Appendix A of this Supplemental Information Memorandum, sets forth in tabular format various details relating to the Mortgage Loan pool held as Assets of the Series Trust as at the close of business on 30 September 2024.

# 6 Commonwealth Bank of Australia Residential Loan Program

## 6.1 General

For a description of Commonwealth Bank of Australia's residential loan program (including the features and process of origination) as applicable to the Mortgage Loans, see Section 7 ("*Commonwealth Bank of Australia Residential Loan Program*") of the Base Information Memorandum as supplemented by the following paragraphs.

## 6.2 Commonwealth Bank of Australia's Product Types

Set out below is a summary of Commonwealth Bank of Australia's housing loan product types. The products described below apply to all Home Loans, both Owner Occupied and Investment Home Loans. The Mortgage Loans include Home Loans of some or all of these types.

Commonwealth Bank of Australia offers a wide variety of housing loan product types with various features and options that are further described in this section. Market competition and economics may require that Commonwealth Bank of Australia offer new product types or add features to a housing loan which are not described in this section. However, before doing so, Commonwealth Bank of Australia must satisfy the Manager that the additional features would not affect any mortgage insurance policy covering the Mortgage Loans and would not cause a downgrade or withdrawal of the rating of the Notes if those Mortgage Loans remain in the Series Trust.

(a) **Commonwealth Bank of Australia's Standard Variable Rate and Fixed Rate Home Loan/Investment Home Loan**

These types of loan are Commonwealth Bank of Australia's traditional standard mortgage products which consists of standard variable rate and fixed rate options. The standard variable rate product is not linked to any other variable rates in the market. However, it may fluctuate with market conditions. Borrowers may switch to a fixed interest rate at any time as described below in "Switching Interest Rates." Some of the Mortgage Loans will be subject to fixed rates for differing periods.

Additionally, some of these loans have an interest rate discounted by a fixed percentage to the standard variable rate or fixed rate. These discounts are offered under various packages including but not limited to Wealth Package/Mortgage Advantage package, other high net worth individuals and borrowers who meet certain loan size requirements.

(b) **Commonwealth Bank of Australia's Extra, Economiser and Rate Saver Home Loan/Investment Home Loan**

These types of loans have a variable interest rate which is not linked to the standard variable rate product and which may fluctuate independently of this and other standard variable rates in the market. These types of loans were introduced by Commonwealth Bank of Australia to allow borrowers who did not require a full range of product features to access a low fee offering. In September 2018, the Economiser Home Loan and Rate Saver were removed from sale for new fundings, leaving the Extra Variable Rate loan as the primary basic product available for sale. Of the features described below, at present only those headed "Substitution of security", "Redraw and Further Advances", "Interest Only Periods" and "Repayment Holiday" are available.

However, some borrowers availing themselves of the "Interest Only Periods" product feature for the Economiser and Rate Saver Home/Investment Home Loans are no longer eligible for the product feature "Redraws and Further Advances". To take advantage of other features borrowers must, with the agreement of Commonwealth Bank of Australia, switch their Mortgage Loan to a Standard Variable Rate Loan, Fixed Rate Loan or Extra Variable Rate product. However, these or other features may in the future be offered to borrowers. There are various minimum borrowing amounts across these product types.

(c) **Commonwealth Bank of Australia No Fee Variable Rate Home Loan**

This type of loan has a variable interest rate which is not linked to the standard variable rate product and which may fluctuate independently of other standard variable rates in the market. This type of loan was introduced by Commonwealth Bank of Australia to provide borrowers with an option for a home loan that did not carry the various fees applicable on other loan types. In September 2018 the No Fee Variable Rate Home Loan was removed from sale for new fundings leaving the Extra Variable Rate loan as the primary basic product available for sale. The interest rate for the No Fee Home Loan historically has been less than that for undiscounted standard variable rate product but higher than other basic products with fees.

## 6.3 Special Features of the Mortgage Loans

Each Mortgage Loan may have some or all of the features described in this section. In addition, during the term of any Mortgage Loan, Commonwealth Bank of Australia may agree to change any of the terms of that Mortgage Loan from time to time at the request of the borrower.

(a) **Switching Interest Rates**

Borrowers may elect for a fixed rate, as determined by Commonwealth Bank of Australia to apply to their Mortgage Loan. However new borrowers may fix their loan repayments for periods of up to 5 years since September 2018. These mortgage loans convert to the standard variable interest rate at the end of the agreed fixed rate period unless the borrower elects to fix the interest rate for a further period. Any variable rate Mortgage Loan of the Series Trust converting to a fixed rate product will automatically be matched by an increase in the fixed rate swaps to hedge the fixed rate exposures.

(b) **Substitution of Security**

A borrower may apply to the Servicer to achieve the following:

- substitute a different mortgaged property in place of the existing mortgaged property securing a Mortgage Loan; or
- release a mortgaged property from a mortgage.

If the Servicer's credit criteria are satisfied and another property acceptable to the Servicer is substituted for the existing security for the Mortgage Loan, the mortgage which secures the existing Mortgage Loan may be discharged without the borrower being required to repay the Mortgage Loan. The Servicer must obtain the consent of any relevant mortgage insurer to the substitution of security or a release of a mortgage where this is required by the terms of a Mortgage Insurance Policy.

(c) **Redraws and Further Advances**

Each of the variable rate Mortgage Loans allows the borrower to redraw principal repayments made in excess of scheduled principal repayments during the period in which the relevant Mortgage Loan is charged a variable rate of interest. Borrowers may request a redraw at any time subject to meeting certain credit criteria at that time. Currently, Commonwealth Bank of Australia does not permit redraws on fixed rate Mortgage Loans, interest only Economiser and Rate Saver Home Loans/Investment Home Loans. A redraw will not result in the related Mortgage Loan being removed from the Series Trust.

In addition, Commonwealth Bank of Australia may agree to make a further advance to a borrower under the terms of a Mortgage Loan subject to a credit assessment.

Where a further advance does not result in the previous scheduled principal balance of the Mortgage Loan being exceeded by more than one scheduled monthly instalment, the further advance will not result in the Mortgage Loan being removed from the Series Trust. Where a further advance does result in the previous scheduled principal balance of the Mortgage Loan being exceeded by more than one scheduled monthly instalment, Commonwealth Bank of Australia must pay to the Series Trust the principal balance of the Mortgage Loan and accrued and unpaid interest and fees on the Mortgage Loan. If this occurs the Mortgage Loan will be treated as being repaid and will cease to be an Asset of the Series Trust.

A further advance to a borrower may also be made under the terms of another loan or as a new loan. These loans may share the same security as a Mortgage Loan assigned to the Series Trust but will be subordinated upon the enforcement of that security to the Mortgage Loan.

(d) **Repayment Holiday**

A borrower is allowed a repayment holiday where it has taken a Principal and Interest loan option and the borrower has prepaid enough principal to cover the required monthly repayment amount ("**RMRA**") during the holiday period, creating a difference between the outstanding principal balance of the loan and the scheduled amortised principal balance of the Mortgage Loan. The borrower is not required to make any payments, including payments of interest, until the outstanding principal balance of the Mortgage Loan plus unpaid interest equals the scheduled amortised principal balance and/or a maximum term of 12 months. The failure by the borrower to make payments during a repayment holiday will not cause the related Mortgage Loan to be considered delinquent.

(e) **Early Repayment**

A borrower may incur an early repayment adjustment ("**ERA**") if an early repayment occurs on a fixed rate Loan. A borrower may also incur an ERA if an early repayment or partial prepayment of principal occurs on a fixed rate Mortgage Loan. However, at present fixed rate loans allow for partial prepayment by the borrower of up to A$10,000 in any 12 month period during the fixed rate period without any ERA being applicable.

(f) **Combination or "Split" Mortgage Loans**

A borrower may elect to split a Mortgage Loan into separate funding portions which may, among other things, be subject to different types of interest rates. Each part of the Mortgage Loan is a different account which may be consolidated into the one consumer

credit contract, even though all the separate loans are secured by the same mortgage. A loan split may be set up at origination or a borrower may elect to split one loan into two loan accounts at any stage during the life of the loan. In this case the first loan will be repaid by the amount funded onto the second loan account.

(g) **Interest Offset**

Currently, Commonwealth Bank of Australia offers borrowers two interest offset features on certain Home Loan/Investment Home Loan products known as a mortgage interest saver account ("**MISA**") and Everyday Offset account ("**Everyday Offset**") under which the interest accrued on the borrower's deposit account is offset against interest on the borrower's Mortgage Loan. To simplify the offset options available to customers, from 16 March 2019 new Mortgage Loan accounts are only eligible to use the Everyday Offset option as the MISA has been quarantined. Commonwealth Bank of Australia does not actually pay interest to the borrower on the loan offset account, but simply reduces the amount of interest which is payable by the borrower under its Mortgage Loan. The borrower continues to make its scheduled mortgage payment with the result that the portion allocated to principal is increased by the amount of interest offset. Fixed rate loans receive a partial offset under the MISA arrangement but are not eligible for an Everyday Offset arrangement.

Commonwealth Bank of Australia will pay to the Series Trust the aggregate of all interest amounts offset in respect of the Mortgage Loans for which it is the Seller. These amounts will constitute Finance Charge Collections for the relevant period.

If, following a Perfection of Title Event, the Trustee obtains legal title to a Mortgage Loan, Commonwealth Bank of Australia will no longer be able to offer an interest offset arrangement for that Mortgage Loan.

(h) **Interest Only Periods**

A borrower may also request to make payments of interest only on their Mortgage Loan. If Commonwealth Bank of Australia agrees to such a request it does so conditional upon higher principal repayments. The interest only period can be extended beyond the initial period providing the total interest only period for the life of the loan does not exceed the following terms:

- Home Loans (owner occupied) - Maximum 5 years
- Investment home loan - Maximum of 10 years

(i) **Special Introductory Rates**

The introductory rate offering was removed from sale and not available for loans originated after October 2020. On the expiry of the introductory offer for existing customers, these mortgage loans automatically convert to the extra variable rate less any agreed discount. Buyers can choose at this point to rollover to the higher variable rate or consider other products available at the time.

## 6.4 Additional Features

Commonwealth Bank of Australia may from time to time offer additional features in relation to a Mortgage Loan which are not described in the preceding section or may cease to offer features that have been previously offered and may add, remove or vary any fees or other conditions applicable to such features.

# 7 Description of the Class A1-R Notes

## 7.1 Issuance and use of proceeds

The Class A1 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes were issued by the Trustee on 5 December 2019. No Class A1 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes are being offered by this Supplemental Information Memorandum. For a description of the terms and conditions applicable to the Class A1 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes see Section 8 ("*Description of the Notes*") of the Base Information Memorandum.

The Trustee will issue the Class A1-R Notes on the Class A1-R Issue Date pursuant to a direction from the Manager to the Trustee. The proceeds of the Class A1-R Notes will be applied on that date towards redeeming the Class A1 Notes.

The Class A1-R Notes will not be issued unless the aggregate Initial Invested Amount of the Class A1-R Notes is equal to the Invested Amount of the Class A1 Notes on that date (plus any additional amount necessary for parcels of Class A1-R Notes to be issued). On the Class A1-R Issue Date, the Trustee is required to deposit the issue proceeds of the Class A1-R Notes into the Collections Account and then apply the issue proceeds of the Class A1-R Notes towards the redemption of the Class A1 Notes in full. Accordingly, following the Issue Date of the Class A1-R Notes, there will not be any Class A1 Notes and Class A1-R Notes outstanding at the same time. In addition, Class A1-R Notes will not be issued unless the Class A1-R Notes are assigned ratings of AAA(sf) by S&P and AAAsf by Fitch Ratings. The Class A1-R Notes will be a sub-class of the "Class A Notes" of the Series Trust. Except as described in the Base Information Memorandum, as supplemented by this Supplemental Information Memorandum, the Class A1-R Notes are subject to the terms and conditions of the Class A Notes as described in the Base Information Memorandum.

The following paragraphs summarise the key terms and conditions as they relate to the Class A1-R Notes. For further details, see Section 8 ("*Description of the Notes*") of the Base Information Memorandum.

## 7.2 Form of the Class A1-R Notes

(a) **Registered form**

The Class A1-R Notes will be denominated in Australian Dollars and upon issue be in the form of registered debt securities and will be issued by the Trustee in its capacity as trustee of the Series Trust. They are issued with the benefit of, and subject to, the Master Trust Deed, the Series Supplement and the Security Trust Deed.

The register maintained by the Trustee is the only conclusive evidence of the title of a person recorded in it as the holder of a Class A1-R Note. No definitive certificate or other instrument will be issued to evidence a person's title to Class A1-R Notes.

(b) **Lodgement of the Class A1-R Notes in Austraclear**

It is intended that the Class A1-R Notes will be lodged in Austraclear after issue. It is also intended that the Class A1-R Notes will be lodged with Austraclear on the basis that they will not be uplifted.

Once the Class A1-R Notes are lodged into the Austraclear system, Austraclear will become the registered holder of those Class A1-R Notes in the register to be maintained by the Trustee. While those Class A1-R Notes remain in the Austraclear system:

(i) all payments and notices required of the Trustee and the Manager in relation to those Class A1-R Notes will be directed to Austraclear;

(ii) all dealings and payments in relation to those Class A1-R Notes within the Austraclear system will be governed by the Austraclear Regulations; and

(iii) interests in the Class A1-R Notes may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the Class A1-R Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in the Notes in Clearstream, Luxembourg would be held in the Austraclear System by BNP Paribas Securities Services, Sydney Branch(as custodian for Clearstream, Luxembourg). The rights of a holder of interests in Class A1-R Notes held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominees and the rules and regulations of the Austraclear System. In addition, any transfer of interests in the Class A1-R Notes which are held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the other requirements set out above and in Section 7.3 (*"Transfer of Class A1-R Notes"*) below.

## 7.3 Transfer of Class A1-R Notes

A Class A1-R Noteholder is entitled to transfer any of its Class A1-R Notes if the offer for sale or invitation to purchase to the proposed transferee by the Noteholder:

(a) does not require disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act;

(b) is not made to a Retail Client; and

(c) complies with any other applicable laws in all jurisdictions in which the offer or invitation is made.

Unless lodged with Austraclear as explained in Section 7.2(b) ("*Form of the Class A1-R Notes*") above, all transfers of Class A1-R Notes must be effected by a Security Transfer as described in Section 8.2(d) ("*Marked Security Transfer*") of the Base Information Memorandum.

## 7.4 Notices to Class A1-R Noteholders

Notices, requests and other communications by the Trustee or the Manager to Class A1-R Noteholders may be made by:

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

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

(c) posting on electronic source approved by the Manager and generally accepted for notices of that type (such as Bloomberg or LSEG); or

(d) distribution through the clearing system in which the Notes are held or any stock exchange on which the Class A1-R Notes are listed.

## 7.5 Joint Noteholders

Where Class A1-R Notes are held jointly, only the person whose name appears first in the register will be entitled to be:

(a) issued the relevant Security Certificate and, if applicable, a marked Security Transfer;

(b) given any notices; and

(c) paid any moneys due in respect of the Class A1-R Notes except that in the case of payment by cheque, the cheque will be payable to the joint Noteholders.

## 7.6 Method of Payment

Any amounts payable by the Trustee to a Class A1-R Noteholder will be paid in Australian dollars and, subject to Section 7.2(b) (*"Lodgement of the Class A1-R Notes in Austraclear"*) above in relation to Class A1-R Notes lodged in Austraclear, will be paid:

(a) by electronic transfer through Austraclear;

(b) by payment to a bank account in Australia of the payee nominated by the payee; or

(c) any other manner specified by the Noteholder and agreed to by the Manager and the Trustee.

## 7.7 Interest on the Class A1-R Notes

(a) **Periods for which the Class A1-R Notes accrue interest**

The period that a Class A1-R Note accrues interest is divided into Accrual Periods. The first Accrual Period in respect of a Class A1-R Note commences on and includes the Issue Date of the Class A1-R Notes and ends on but excludes the immediately following Distribution Date. Each subsequent Accrual Period in respect of a Class A1-R Note commences on and includes a Distribution Date and ends on but excludes the following Distribution Date.

The final Accrual Period in respect of a Class A1-R Note ends on, but excludes, the earlier of:

(i) the date upon which the Invested Amount of the Class A1-R Note is reduced to zero and all accrued interest in respect of the Class A1-R Note is paid in full;

(ii) the Distribution Date on which the final distributions upon termination of the Series Trust are to be made, as described in Section 9.1 ("*Termination of the Series Trust*") of the Base Information Memorandum; and

(iii) the date upon which the Class A1-R Note is otherwise redeemed or are deemed to be redeemed and repaid in full (including following enforcement of the Charge).

(b) **Calculation of interest payable on the Class A1-R Notes**

The interest rate for the Class A1-R Notes for each Accrual Period will be equal to the Bank Bill Rate for that Accrual Period plus a margin of 0.90% provided that if such calculation produces a rate of less than zero percent, the interest rate for the Class A1-R Notes and that Accrual Period will be zero percent. The margin of the Class A1-R Notes will not increase at any time after their issue.

The "**Bank Rill Rate**" means, for a Class A1-R Note Interest Determination Date, subject to Section 7.7(d) ("*Temporary disruption fallback*") and Section 7.7(e) ("*Permanent discontinuation fallback"),* the per annum rate expressed as a decimal which is the level of BBSW for a period of one month provided by the Administrator and published as of the Publication Time on that Class A1-R Note Interest Determination Date. Interest on each Class A1-R Note will be calculated in respect of an Accrual Period as the product of:

(i) the Invested Amount of that Class A1-R Note as at the close of business on the first day of that Accrual Period, after giving effect to any payments of principal made with respect to such Class A1-R Note on such day;

(ii) the interest rate for the Class A1-R Notes for that Accrual Period; and

(iii) a fraction, the numerator of which is the actual number of days in the Accrual Period and the denominator of which is 365 days.

Interest will accrue on any unpaid interest in relation to a Class A1-R Note at the interest rate that applies from time to time to that Class A1-R Note until that unpaid interest is paid.

On the first day of each Accrual Period in respect of a Class A1-R Note, the Manager will determine the Bank Bill Rate for that Accrual Period.

In this Section 7.7(b):

"**Adjustment Spread**" means the adjustment spread as at the Adjustment Spread Fixing Date (which may be a positive or negative value or zero and determined pursuant to a formula or methodology) that is:

(a) determined as the median of the historical differences between the Bank Bill Rate and AONIA over a five calendar year period prior to the Adjustment Spread Fixing Date using industry-accepted practices, provided that for so long as the Bloomberg Adjustment Spread is published and determined based on the five year median of the historical differences between the Bank Bill Rate and AONIA, that adjustment spread will be deemed to be acceptable for the purposes of this paragraph (a); or

(b) if no such median can be determined in accordance with paragraph (a), set using the method for calculating or determining such adjustment spread determined by the Manager to be appropriate or, if the Manager is unable to determine the quantum of, or a formula or methodology for determining, such adjustment spread, then as determined by an alternative financial institution (appointed by the Manager in its sole discretion) acting in good faith and in a commercially reasonable manner.

"**Adjustment Spread Fixing Date**" means the first date on which a Permanent Discontinuation Trigger occurs with respect to the Bank Bill Rate.

"**Administrator**" means:

(a) in respect of the Bank Bill Rate, ASX Benchmarks Pty Limited (ABN 38 616 075 417);

(b) in respect of AONIA, the Reserve Bank of Australia; and

(c) in respect of any other Applicable Benchmark Rate, the administrator for that rate or benchmark or, if there is no administrator, the provider of that rate or benchmark,

or in each case, any successor administrator or, as applicable, any successor administrator or provider.

"**Administrator Recommended Rate**" means the rate formally recommended for use as the replacement for the Bank Bill Rate by the Administrator of the Bank Bill Rate.

"**AONIA**" means the Australian dollar interbank overnight cash rate (known as AONIA).

"**AONIA Fallback Rate (Class A1-R Notes)**" means, in respect of a Class A1-R Note Interest Determination Date, the rate determined by the Manager to be Compounded Daily AONIA (Class A1-R Notes) for that Class A1-R Note Interest Determination Date plus the Adjustment Spread.

"**Applicable Benchmark Rate**" means initially, the Bank Bill Rate or, if a Permanent Fallback Effective Date has occurred with respect to the Bank Bill Rate, AONIA or the RBA Recommended Rate (as applicable).

"**BBSW**" means the Australian dollar mid-rate benchmark for prime bank eligible securities (known as the Australian Bank Bill Swap Rate or BBSW).

"**Bloomberg**" means Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time), as the provider of term adjusted AONIA and the spread.

"**Bloomberg Adjustment Spread**" means the term adjusted AONIA spread relating to the Bank Bill Rate provided by Bloomberg, on the Fallback Rate (AONIA) Screen (or by other means) or provided to, and published by, authorised distributors.

"**Class A1-R Note Interest Determination Date**" means, in respect of an Accrual Period and a Class A1-R Note:

(a) where the Bank Bill Rate applies or the Final Fallback Rate applies under paragraph (a)(iii) of the definition of Permanent Discontinuation Fallback, the first day of that Accrual Period; and

(b) otherwise, the fifth Business Day prior to the last day of that Accrual Period,

or if that day is not a Business Day, the next Business Day.

"**Compounded Daily AONIA (Class A1-R Notes)**" means, in respect of a Class A1-R Note Interest Determination Date, the rate which is the rate of return of a daily compound interest investment, calculated in accordance with the formula below:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{AONIA_{i-5BD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

| | |
|---|---|
| $d$ | means the number of calendar days in the relevant Accrual Period; |
| $d_0$ | means the number of Business Days in the relevant Accrual Period; |
| $AONIA_{i\text{-}5BD}$ | means the per annum rate expressed as a decimal which is the level of AONIA provided by the Administrator and published as of the Publication Time for the Business Day falling five Business Days prior to such Business Day "*i*"; |
| $i$ | is a series of whole numbers from 1 to $d_0$, each representing the relevant Business Day in chronological order from (and including) the first Business Day in the relevant Accrual Period to (and including) the last Business Day in such Accrual Period; and |
| $n_i$ | for any Business Day "*i*", means the number of calendar days from (and including) such Business Day "*i*" up to (but excluding) the following Business Day. |

If for any reason Compounded Daily AONIA (Class A1-R Notes) needs to be determined for a period other than an Accrual Period, Compounded Daily AONIA (Class A1-R Notes) is to be determined as if that period were an Accrual Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period.

"**Fallback Rate**" means, in respect of a Permanent Discontinuation Fallback for an Applicable Benchmark Rate, the rate that applies to replace that Applicable Benchmark Rate in accordance with the definition of Permanent Discontinuation Fallback.

When calculating interest in circumstances where a Fallback Rate other than the Final Fallback Rate applies, that interest will be calculated as if references to the Bank Bill Rate were references to that Fallback Rate. When calculating interest in circumstances where the Final Fallback Rate applies, that interest will be calculated on the same basis as if the Applicable Benchmark Rate in effect immediately prior to the application of

that Final Fallback Rate remained in effect but with necessary adjustments to substitute all references to that Applicable Benchmark Rate with corresponding references to the Final Fallback Rate.

"**Fallback Rate (AONIA) Screen**" means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for the Bank Bill Rate accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time).

"**Final Fallback Rate**" means, in respect of an Applicable Benchmark Rate, the rate:

(a) determined by the Manager as a commercially reasonable alternative for the Applicable Benchmark Rate taking into account all available information that in good faith it considers relevant, provided that any rate (inclusive of any spreads or adjustments) implemented by central counterparties and / or futures exchanges with representative trade volumes in derivatives or futures referencing that Applicable Benchmark Rate will be deemed to be acceptable for the purposes of this paragraph (a);

(b) if the Manager is unable or unwilling to determine a reasonable alternative, determined by an alternative financial institution (appointed by the Manager in its sole discretion) acting in good faith and in a commercially reasonable manner; or

(c) if and for so long as the Manager is unable to appoint an alternative financial institution or the appointed alternative financial institution is unable or unwilling to determine a rate in accordance with paragraph (b), which is the last provided or published level of that Applicable Benchmark Rate.

"**ISDA**" means the International Swaps and Derivatives Association.

"**Non-Representative**" means, in respect of an Applicable Benchmark Rate, that the Supervisor of that Applicable Benchmark Rate if the Applicable Benchmark Rate is the Bank Bill Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate:

(a) has determined that such Applicable Benchmark Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark Rate is intended to measure and that representativeness will not be restored; and

(b) is aware that such determination will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such Supervisor (howsoever described) in contracts.

"**Permanent Discontinuation Fallback**" means, in respect of:

(a) the Bank Bill Rate, that the rate for any day for which the Bank Bill Rate is required on or after the Bank Bill Rate Permanent Fallback Effective Date will be:

(i) if at the time the Bank Bill Rate Permanent Fallback Effective Date occurs, no AONIA Permanent Fallback Effective Date has occurred, the AONIA Fallback Rate (Class A1-R Notes);

(ii) if at the time the Bank Bill Rate Permanent Fallback Effective Date occurs, an AONIA Permanent Fallback Effective Date has occurred, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Fallback Rate; and

(iii) if neither paragraph (a)(i) nor paragraph (a)(ii) above apply, the Final Fallback Rate;

(b) AONIA, that the rate for any day for which AONIA is required on or after the AONIA Permanent Fallback Effective Date will be:

(i) if at the time the AONIA Permanent Fallback Effective Date occurs, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Fallback Rate; and

(ii) if paragraph (b)(i) above does not apply, the Final Fallback Rate; and

(c) the RBA Recommended Rate, that the rate for any day for which the RBA Recommended Rate is required on or after the RBA Recommended Rate Permanent Fallback Effective Date will be the Final Fallback Rate.

"**Permanent Discontinuation Trigger**" means, in respect of an Applicable Benchmark Rate:

(a) a public statement or publication of information by or on behalf of the Administrator of the Applicable Benchmark Rate announcing that it has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark Rate and, in the case of the Bank Bill Rate, a public statement or publication of information by or on behalf of the Supervisor of the Bank Bill Rate has confirmed that cessation;

(b) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate, the Reserve Bank of Australia (or any successor central bank for Australian dollars), an insolvency official with jurisdiction over the Administrator of the Applicable Benchmark Rate, a resolution authority with jurisdiction over the Administrator of the Applicable Benchmark Rate or a court or an entity with similar insolvency or resolution authority over the Administrator for the Applicable Benchmark Rate, which states that the Administrator of the Applicable Benchmark Rate has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark Rate and, in the case of the Bank Bill Rate and a public statement or publication of information other than by the Supervisor, a public statement or publication of information by or on behalf of the Supervisor of the Bank Bill Rate has confirmed that cessation;

(c) a public statement by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the Bank Bill Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate, as a consequence of which the Applicable Benchmark Rate will be prohibited from being used either generally, or in respect of the Notes or that its use will be subject to restrictions or adverse consequences;

(d) it has become unlawful for the Manager or any other party responsible for calculations of interest on the Notes under the Transaction Documents to calculate any payments due to be made to any Noteholder using the Applicable Benchmark Rate;

(e) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the Bank Bill Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate, stating that the Applicable Benchmark Rate is Non-Representative; or

(f) the Applicable Benchmark Rate has otherwise ceased to exist or be administered on a permanent or indefinite basis.

"**Permanent Fallback Effective Date**" means, in respect of a Permanent Discontinuation Trigger for an Applicable Benchmark Rate:

(a) in the case of paragraphs (a) and (b) of the definition of "Permanent Discontinuation Trigger", the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is no longer published or provided;

(b) in the case of paragraphs (c) and (d) of the definition of "Permanent Discontinuation Trigger", the date from which use of the Applicable Benchmark Rate is prohibited or becomes subject to restrictions or adverse consequences or the calculation becomes unlawful (as applicable);

(c) in the case of paragraph (e) of the definition of "Permanent Discontinuation Trigger", the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is Non-Representative by reference to the most recent statement or publication contemplated in that paragraph and even if such Applicable Benchmark Rate continues to be published or provided on such date; or

(d) in the case of paragraph (f) of the definition of "Permanent Discontinuation Trigger", the date that event occurs.

"**Publication Time**" means:

(a) in respect of the Bank Bill Rate, 12.00pm (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator of the Bank Bill Rate in its benchmark methodology; and

(b) in respect of AONIA, 9:30am (Australian Eastern Standard Time (AEST)/Australian Eastern Daylight Time (AEDT)) or any amended publication time for the final intraday refix of such rate specified by the Administrator of AONIA in its benchmark methodology.

"**RBA Recommended Fallback Rate**" has the same meaning given to AONIA Fallback Rate (Class A1-R Notes) but with necessary adjustments to substitute all references to AONIA with corresponding references to the RBA Recommended Rate.

"**RBA Recommended Rate**" means, in respect of any relevant day (including any day "i"), the rate (inclusive of any spreads or adjustments) recommended as the replacement for AONIA by the Reserve Bank of Australia (which rate may be produced by the Reserve Bank of Australia or another administrator) and as provided by the Administrator of that rate or, if that rate is not provided by the Administrator thereof, published by an authorised distributor, in respect of that day.

"**Supervisor**" means, in respect of an Applicable Benchmark Rate, the supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate, or any committee officially endorsed or convened by any such supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate.

"**Supervisor Recommended Rate**" means the rate formally recommended for use as the replacement for the Bank Bill Rate by the Supervisor of the Bank Bill Rate.

(d) **Temporary disruption fallback**

Subject to Section 7.7(e) ("*Permanent discontinuation fallback*"), if a Temporary Disruption Trigger occurs in respect of an Applicable Benchmark Rate, the rate for any day for which that Temporary Disruption Trigger is continuing and that Applicable Benchmark Rate is required will be the rate determined in accordance with the Temporary Disruption Fallback for that Applicable Benchmark Rate.

In this Section 7.7(d):

"**Temporary Disruption Fallback**" means, in respect of:

(a) the Bank Bill Rate, that the rate for any day for which the Bank Bill Rate is required will be the first rate available in the following order of precedence:

(i) firstly, the Administrator Recommended Rate;

(ii) next, the Supervisor Recommended Rate; and

(iii) lastly, the Final Fallback Rate;

(b) AONIA, that the rate for any day for which AONIA is required will be the last provided or published level of AONIA; or

(c) the RBA Recommended Rate, that the rate for any day for which the RBA Recommended Rate is required will be the last provided or published level of that RBA Recommended Rate (or if no such rate has been provided or published, the last provided or published level of AONIA).

"**Temporary Disruption Trigger**" means, in respect of any Applicable Benchmark Rate which is required for any determination:

(a) the Applicable Benchmark Rate in respect of the day for which it is required has not been published by the Administrator or an authorised

distributor and is not otherwise provided by the Administrator by the date on which that Applicable Benchmark Rate is required; or

(b) the Applicable Benchmark Rate is published or provided but the Manager determines that there is an obvious or proven error in that rate.

(e) **Permanent discontinuation fallback**

If a Permanent Discontinuation Trigger occurs in respect of an Applicable Benchmark Rate, the rate for any Class A1-R Note Interest Determination Date which occurs on or following the applicable Permanent Fallback Effective Date will be the Fallback Rate determined in accordance with the Permanent Discontinuation Fallback for that Applicable Benchmark Rate.

(f) **Decisions and determinations are final and conclusive**

All determinations, decisions, calculations, settings and elections required pursuant to Section 7.7(d) ("*Temporary disruption fallback*") or Section 7.7(e) ("*Permanent discontinuation fallback*") and any related definitions are to be made by the Manager. Any such determination, decision, calculation, setting or election, including (without limitation) any determination with respect to the level of a benchmark, rate or spread, the adjustment of a benchmark, rate or spread or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error, may be made in the Manager's sole discretion and, notwithstanding anything to the contrary in the Transaction Documents, will become effective as made without any requirement for the consent or approval of Noteholders any other person.

(g) **Notification**

The Manager must notify each Rating Agency upon becoming aware of the occurrence of a Permanent Discontinuation Trigger and upon the commencement of the application of the applicable Fallback Rate following that Permanent Discontinuation Trigger.

(h) **Payment of interest on the Class A1-R Notes**

The Trustee must, in accordance with the Series Supplement, on each Distribution Date apply the Available Income Amount in respect of that Distribution Date, towards payment of amounts including the aggregate interest accrued on each Class A1-R Note during the Accrual Period ending on that Distribution Date, together with any unpaid interest on the Class A1-R Notes from previous Distribution Dates and any interest accrued on such unpaid interest, in the order contemplated by the Series Supplement. See Section 8.9 ("*Payment of the Available Income Amount on a Distribution Date*") of the Base Information Memorandum.

## 7.8 Repayment of Principal on the Class A1-R Notes

(a) **Partial redemption of the Class A1-R Notes on each Distribution Date**

On each Distribution Date until the Invested Amount of the Class A1-R Notes is reduced to zero, the Trustee must apply the Available Principal Amount in respect of that Distribution Date towards repayment of principal on the Class A1-R Notes to the extent there are funds available for that purpose in accordance with the order of

priority described in Section 8.3 ("*Payment of the Available Principal Amount on a Distribution Date*") of this Supplemental Information Memorandum.

(b) **Optional Redemption of all the Notes**

The Trustee must, when directed by the Manager, at the Manager's option, redeem all (but not some) of the outstanding Notes of all Classes at their then Invested Amounts, subject to the following, together with accrued but unpaid interest to, but excluding, the date of redemption, on any Distribution Date occurring on or after the Call Date.

The Trustee may in exercising its option to redeem all of the Notes redeem the then outstanding Notes of a Class at their Stated Amounts instead of at their Invested Amounts, together with accrued but unpaid interest to but excluding the date of redemption. However, for each Class of Notes redemption at the Stated Amount must be approved by an Extraordinary Resolution of Noteholders of the relevant Class. However, the Trustee will not and the Manager will not direct the Trustee to redeem the Notes unless the Trustee is in a position on the relevant Distribution Date to repay the then Invested Amounts or the Stated Amounts, as required, of the Notes together with all accrued but unpaid interest to but excluding the date of redemption and to discharge all its liabilities in respect of amounts which are required to be paid in priority to or equally with the Notes under Sections 8.3 ("*Payment of the Available Income Amount on a Distribution Date*") and 8.4 ("*Payment of the Available Principal Amount on a Distribution Date*") of this Supplemental Information Memorandum.

For more details, see Section 8.22 ("*Optional Redemption of the Notes – on or after the Call Date"*) of the Base Information Memorandum.

(c) **Redemption of the Notes upon an Event of Default**

If an Event of Default occurs under the Security Trust Deed the Security Trustee must, upon becoming aware of the Event of Default and subject to certain conditions, in accordance with an Extraordinary Resolution of Voting Secured Creditors and the provisions of the Security Trust Deed, enforce the Charge. That enforcement can include the sale of some or all of the Mortgage Loans. Any proceeds from the enforcement of the security will be applied in accordance with the order of priority of payments as set out in the Security Trust Deed as described in Section 10.6(k) ("*Priorities under the Security Trust Deed*") of the Base Information Memorandum.

(d) **Final Maturity Date**

Unless previously redeemed, the Trustee must redeem the Class A1-R Notes by paying the Invested Amount, together with all accrued and unpaid interest, in relation to each Class A1-R Note on or by the Distribution Date falling in January 2052.

(e) **Redemption upon Final Payment**

Upon final payment being made in respect of any Class A1-R Notes following termination of the Series Trust or enforcement of the Charge, those Class A1-R Notes will be deemed to be redeemed and discharged in full and any obligation to pay any accrued but unpaid interest, the Stated Amount or the Invested Amount in relation to the Class A1-R Notes will be extinguished in full.

(f) **No Payments of Principal in Excess of Invested Amount**

No amount of principal will be repaid in respect of a Class A1-R Note in excess of its Invested Amount or, in the circumstances described in Section 7.8(b) ("*Optional Redemption of the Notes*") of this Supplemental Information Memorandum, its Stated Amount.

### 7.9 Withholding Tax or Deductions

All payments in respect of the Class A1-R Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature unless the Trustee for the Class A1-R Notes is required by applicable law to make such a withholding or deduction (including, without limitation, any FATCA Withholding). In that event the Trustee must account to the relevant authorities for the amount so required to be withheld or deducted. The Trustee will not be obliged to make any additional payments to holders of the Class A1-R Notes with respect to that withholding or deduction (including, without limitation, any FATCA Withholding).

### 7.10 Benchmark Amendments

If, at any time, a Permanent Discontinuation Trigger occurs in respect of the Applicable Benchmark Rate that applies in relation to the Notes at that time and the Manager determines that amendments to this document or any other Transaction Document are necessary to give effect to the application of the applicable Fallback Rate as contemplated under Section 7.7(e) ("**Benchmark Amendments**"), the parties to the relevant Transaction Documents may make such Benchmark Amendments as may be necessary to give effect to the application of the applicable Fallback Rate without the requirement of any consent or approval from the Secured Creditors, provided such amendments may only take effect on or after the relevant Permanent Fallback Effective Date in respect of the Permanent Discontinuation Trigger for the Applicable Benchmark Rate. In relation to making any Benchmark Amendments, the Trustee will act at the direction of the Manager and the Security Trustee will agree to any amendments agreed to by the Trustee. Any amendments made in accordance with this paragraph will be binding on the Noteholders and the other Secured Creditors.

None of the Manager, the Trustee or the Security Trustee or any other party to the Transaction Documents have any liability to any Noteholder or any other Secured Creditor for either any determination of any Fallback Rate or the execution or application of any Benchmark Amendments made in accordance with this Section 7.10

This Section 7.10 applies notwithstanding any provision of the Series Supplement, the Master Trust Deed or the Security Trust Deed to the contrary.

## 8 Determination and payment of income and principal in respect of the Series Trust

### 8.1 Payments by the Trustee

The Trustee will make payments in respect of the Notes and other liabilities and expenses of the Series Trust on a monthly basis on each Distribution Date from Collections received during the preceding Collection Period and from amounts received under Support Facilities on or prior to the relevant Distribution Date and from accrued amounts retained or invested in Authorised Short-Term Investments. For more details, including a description of the amounts included in Collections, see Section 8.3 ("*Payments on the Notes*") of the Base Information Memorandum.

## 8.2 Payment of the Available Income Amount on each Distribution Date

On each Distribution Date, prior to the enforcement of the Charge, the Available Income Amount for that Distribution Date is to be allocated towards paying interest on the Notes and certain other amounts in the order of priority set out in Section 8.9 ("*Payment of the Available Income Amount on a Distribution Date*") of the Base Information Memorandum.

The Available Income Amount is summarised in the diagram in Section 2.12 ("*Allocation of Cash Flows*") of this Supplemental Information Memorandum and described in detail in Section 8.5 ("*Determination of the Available Income Amount*") of the Base Information Memorandum.

## 8.3 Payment of the Available Principal Amount on each Distribution Date

On each Distribution Date, prior to the enforcement of the Charge, the Available Principal Amount for that Distribution Date is to be allocated towards paying principal on the Notes and certain other amounts in the order of priority set out in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*") of the Base Information Memorandum (as modified below).

Section 8.12(c) ("*Payment of the Available Principal Amount on a Distribution Date*") of the Base Information Memorandum is replaced with the following:

"(c) next, repayment to Commonwealth Bank of Australia of any redraws and further advances under the Mortgage Loans made during or prior to the Collection Period then ended for which Commonwealth Bank of Australia is entitled to be repaid in accordance with Section 2.6 ("*Redraws and Further Advances*") of the Supplemental Information Memorandum and which are then outstanding;". The Available Principal Amount is summarised in the diagram in Section 2.12 ("*Allocation of Cash Flows*") of this Supplemental Information Memorandum and described in detail in Section 8.11 ("*Determination of the Available Principal Amount*") of the Base Information Memorandum (as modified below).

Section 8.12(b)(iv) ("*Payment of the Available Principal Amount on a Distribution Date*") of the Base Information Memorandum is replaced with the following:

"(b) certain damages or equivalent, including amounts paid by Commonwealth Bank of Australia in respect of breaches of representations or warranties in relation to the Mortgage Loans and any amounts paid by Commonwealth Bank of Australia as Servicer in accordance with Section 10.4 ("*Product Changes*") of the Supplemental Information Memorandum, in respect of principal received from the Servicer or Commonwealth Bank of Australia during the preceding Collection Period;".

## 8.4 Principal Chargeoffs

For a description of the allocation of losses on the Mortgage Loans by way of Principal Chargeoffs on the Notes and the reimbursement of those Principal Chargeoffs (including the circumstances and the order in which Principal Chargeoffs are applied and reimbursed), see Section 8.17 ("*Principal Chargeoffs*") of the Base Information Memorandum.

As at the Preparation Date, there are no unreimbursed Principal Chargeoffs.

## 8.5 Principal Draws

If there are insufficient income receipts of a Series Trust to be applied on a Distribution Date toward payment of interest on the Notes (other than the Class C Notes) and other expenses of the Series Trust, the Manager may direct the Trustee to allocate some or all of the principal

collections on the Mortgage Loans and other principal receipts of the Series Trust towards meeting the shortfall as described in Section 8.6 ("*Principal Draw*") of the Base Information Memorandum. Principal Draws are to be reimbursed on subsequent Distribution Dates as described in Section 8.9 ("*Payment of the Available Income Amount on each Distribution Date*") of the Base Information Memorandum.

As at the Preparation Date there are no unreimbursed Principal Draws.

## 8.6 Liquidity Facility Advances

Please see Section 8.7 ("*Liquidity Facility Advance*") of the Base Information Memorandum for details regarding the making of drawings under the Liquidity Facility by the Trustee to assist in meeting the balance of any income shortfall on a Determination Date remaining after application of Principal Draws. For a description of the terms on which the Liquidity Facility is provided by the Liquidity Facility Provider, see Section 10.8 ("*The Liquidity Facility*") of the Base Information Memorandum.

As at the Preparation Date, there are no Liquidity Facility Advances outstanding.

## 8.7 Extraordinary Expense Reserve

If, on any Determination Date, the Manager determines that there are any Extraordinary Expenses in respect of the immediately preceding Collection Period, then the Manager must direct the Trustee to make an Extraordinary Expense Reserve Draw from the Extraordinary Expense Reserve and apply that amount on the following Distribution Date towards payment or reimbursement of those Extraordinary Expenses as described in Section 8.8 ("*Extraordinary Expense Reserve*") of the Base Information Memorandum.

Each Extraordinary Expense Reserve Draw made on any Distribution Date as described above is to be repaid on subsequent Distribution Dates, but only to the extent that there are funds available for this purpose in accordance with Section 8.9 ("*Payment of the Available Income Amount on each Distribution Date*") of the Base Information Memorandum.

For further details in relation to the Extraordinary Expense Reserve, see Section 8.8 ("*Extraordinary Expense Reserve*") of the Base Information Memorandum.

As at the Preparation Date, there are no unreimbursed Extraordinary Expense Reserve Draws.

## 8.8 Post enforcement payments

For details of the order of allocation of proceeds received by the Security Trustee following an Event of Default and enforcement of the Charge, see Section 10.6(k) ("*Priorities under the Security Trust Deed*") of the Base Information Memorandum.

# 9 Description of the Transaction Documents

## 9.1 General

For a summary of the material terms of the Transaction Documents (including the Master Trust Deed, the Series Supplement, the Security Trust Deed, the Liquidity Facility Agreement, the Mortgage Insurance Policies and the Interest Rate Swap Agreement), see Section 10 ("*Description of the Transaction Documents*") as supplemented by the following paragraphs.

## 9.2 The Class A1-R Note Swap

As contemplated by Section 10.11(j) ("*The Interest Rate Swaps*") of the Base Information Memorandum, the Trustee and the Interest Rate Swap Provider will enter into a further swap transaction ("**Class A1-R Note Swap**") to hedge the potential mismatch between the amounts received by the Trustee under the Basis Swap and the Fixed Rate Swap (which are calculated by reference to Compounded AONIA) and the obligations of the Trustee under the Class A1-R Notes (which will be calculated by reference to the Bank Bill Rate).

The Class A1-R Note Swap will be entered into as a separate transaction under the Interest Rate Swap Agreement.

Under the Class A1-R Note Swap, on each Distribution Date the Trustee will pay to the Interest Rate Swap Provider an amount calculated by reference to the product of the aggregate Invested Amount of the Class A1-R Notes on the immediately preceding Distribution Date (or, in the case of the first Distribution Date following the Class A1-R Issue Date, the Class A1-R Issue Date) and Compounded AONIA for the relevant period plus a margin specified in the Class A1-R Note Swap Confirmation.

In return, the Interest Rate Swap Provider will pay to the Trustee on each Distribution Date an amount calculated by reference to the product of the aggregate Invested Amount of the Class A1-R Notes on the immediately preceding Distribution Date (or, in the case of the first Distribution Date following the Class A1-R Issue Date, the Class A1-R Issue Date) and the Bank Bill Rate for the relevant period plus a margin specified in the Class A1-R Note Swap confirmation.

In connection with the entry into the Class A1-R Note Swap, the Basis Swap will be amended so that the Basis Swap Notional Amount (as described in Section 10.11(b) ("*The Interest Rate Swaps*") of the Base Information Memorandum) and the Fixed Rate Swap Notional Amount (as described in Section 10.11(c) ("*The Interest Rate Swaps*") of the Base Information Memorandum) are determined taking into account the Invested Amount of the Class A1-R Notes and the Class A2 Notes (in addition to the Invested Amount of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes or zero if the Stated Amount of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes (as relevant) is zero or has ever been reduced to zero).

If the Class A1-R Note Swap has been terminated while any Class A1-R Notes are outstanding then, unless the Trustee has entered into a replacement swap or other arrangements in respect of which the Manager has provided a Rating Affirmation Notice in relation to each Rating Agency, the Servicer must, subject to applicable laws, adjust the rates at which interest set-off benefits are calculated under the mortgage interest saver accounts and Everyday Offset accounts to rates which produce an amount of income which is sufficient to ensure that the Trustee has sufficient Finance Charge Collections and Other Income Amounts to enable it to pay the amounts included in the Required Income Amount as they fall due. If rates at which such interest set-off benefits are calculated have been reduced to zero and the amount of income produced by the reduction of the rates on the mortgage interest saver accounts and Everyday Offset

accounts is not sufficient, the Servicer must ensure that the weighted average of the variable rates charged on the Mortgage Loans is subject to applicable laws, including the Consumer Credit Legislation, not lower than the Threshold Rate.

Section 10.11 ("*The Interest Rate Swaps*") of the Base Information Memorandum is superseded to the extent set out above.

## 9.3 Mortgage Insurance

**Loans insured by Helia Insurance Pty Limited**

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

Helia's parent company is Helia Group Limited ACN 154 890 730, which is a public company listed on the Australian Securities Exchange and registered in Victoria.

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

## 9.4 Clean-Up

This Section 9.4 updates and is to be read in substitution for Section 10.12 ("*Clean-Up*") of the Base Information Memorandum.

Commonwealth Bank of Australia will have the right to extinguish the Trustee's interest in the Mortgage Loan Rights, or to otherwise regain the benefit of the Mortgage Loan Rights on any Distribution Date occurring on or after the Call Date ("**Clean-Up Settlement Date**").

Commonwealth Bank of Australia may only exercise such a right by paying to the Trustee on the Clean-Up Settlement Date the Fair Market Value (as at the last day of the Collection Period ending immediately before the Clean-Up Settlement Date) for all of the Mortgage Loans ("**Clean-Up Settlement Price**"). However, Commonwealth Bank of Australia may not exercise its rights described in this Section 9.4 ("*Clean-Up*") unless the Clean-Up Settlement Price together with any other Assets of the Series Trust available to the Trustee will be sufficient to redeem in full (after paying all amounts ranking in priority to the Notes in accordance with Section 8.9 ("*Payment of the Available Income Amount on a Distribution Date*") and Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*") of the Base Information Memorandum) the Invested Amount (or Stated Amount, if the Trustee is permitted to redeem Notes at their Stated Amount) of the Notes together with their accrued but unpaid interest to but excluding the Clean-Up Settlement Date.

In this Supplemental Information Memorandum, "**Fair Market Value**" means:

(a) in relation to any individual Mortgage Loan and the Mortgage Loan Rights in respect of that Mortgage Loan, the fair market value for the purchase of that Mortgage Loan, as agreed between the Trustee (acting on the direction of the Manager) and the Seller and which value reflects the performance status and underlying nature of that Mortgage Loan; and

(b) in relation to two or more Mortgage Loans and the Mortgage Loan Rights in respect of those Mortgage Loans, the fair market price for the purchase of all of those Mortgage Loans collectively, as agreed between the Trustee (acting on the direction of the Manager) and the Seller and which reflects the performance status and underlying nature of those Mortgage Loans collectively,

and each reference to “Fair Market Value” in the Base Information Memorandum should be construed accordingly.

# 10 The Servicer

## 10.1 General

Please see Section 11 ("*The Servicer*") of the Base Information Memorandum, as supplemented by the following paragraphs, for information about the role of the Servicer in relation to the Series Trust and the servicing of the Mortgage Loans by Commonwealth Bank of Australia as the current Servicer.

## 10.2 Commonwealth Bank of Australia's current servicing arrangements

The day to day servicing of the Mortgage Loans is performed by Commonwealth Bank of Australia, as the current Servicer, at Commonwealth Bank of Australia's Chief Operations Office division, presently located in Sydney, Melbourne, Brisbane, Adelaide, Perth and Bangalore, and at the retail branches and telephone banking, Internet, Online Applications and marketing centres of Commonwealth Bank of Australia. Servicing procedures undertaken by Retail Operations (a department within Chief Operations Office) include partial loan security discharges, loan security substitutions and consents for subsequent mortgages. The carriage of other day to day loan maintenance activities is undertaken by Everyday Banking Operations (a department within Group Operations). Arrears management is undertaken by the collections area of the Commonwealth Bank of Australia. Customer enquiries are dealt with by the retail branches and telephone banking, Retail Operations teams and marketing centres of Commonwealth Bank of Australia.

## 10.3 Commonwealth Bank of Australia's current Collection and Enforcement Procedures

Pursuant to the terms of the Mortgage Loans, borrowers must make the minimum repayment due under the terms and conditions of the Mortgage Loans, on or before each monthly instalment due date. A borrower may elect to make his or her repayments weekly or fortnightly so long as the equivalent of the minimum monthly repayment is received on or before the monthly instalment due date. Borrowers often select repayment dates to coincide with receipt of their salary or other income. In addition to payment to a retail branch by cash or cheque, Mortgage Loan repayments may be made by direct debit to a nominated bank account or direct credit from the borrower's salary by their employer.

A Mortgage Loan is subject to action in relation to arrears of payment whenever the monthly repayment is not paid by the monthly instalment due date. However, under the terms of the Mortgage Loans, borrowers may prepay amounts which are additional to their required monthly repayments to build up a "credit buffer", being the difference between the total amount paid by them and the total of the monthly repayments required to be made by them. If a borrower subsequently fails to make some or all of a required monthly repayment, the servicing system will apply the amount not paid against the credit buffer until the total amount of missed payments exceeds the credit buffer. The Mortgage Loan will be considered to be arrears only in relation to that excess.

Commonwealth Bank of Australia's automated collections system identifies all Mortgage Loan accounts which are in arrears and produces lists of those Mortgage Loans. The collection system allocates overdue loans to designated collection officers within Commonwealth Bank of Australia who take action in relation to the arrears. Actions by collections officers are supplemented by automated digital messages to customers who are overdue to request payments, with options to pay the overdue amount electronically or to contact a collections officer.

Actions taken by Commonwealth Bank of Australia in relation to delinquent accounts will vary depending on a number of elements, including the following and, if applicable, with the input of a mortgage insurer:

(a) arrears history;

(b) equity in the property; and

(c) arrangements made with the borrower to meet overdue payments.

If satisfactory arrangements cannot be made to rectify a delinquent Mortgage Loan, legal notices are issued and recovery action is initiated by Commonwealth Bank of Australia. This includes, if Commonwealth Bank of Australia obtains possession of the mortgaged property, ensuring that the mortgaged property supporting the Mortgage Loan still has adequate general home owner's insurance and that the upkeep of the mortgaged property is maintained. Recovery action is arranged by experienced collections staff in conjunction with internal or external legal advisers. A number of sources of recovery are pursued including the following:

(a) voluntary sale by the mortgagor;

(b) guarantees;

(c) government assistance schemes;

(d) mortgagee sale;

(e) claims on mortgage insurance; and

(f) action against the mortgagor/borrower personally.

It should be noted that the Commonwealth Bank of Australia reports all actions that it takes on overdue Mortgage Loans to the relevant mortgage insurer where required in accordance with the terms of the mortgage insurance policies.

## 10.4 Product Changes

This Section 10.4 updates and is to be read in substitution for Section 11.1(l) ("*The Servicer"*) of the Base Information Memorandum.

If Commonwealth Bank of Australia (as the Seller and, if applicable at the relevant time, the Servicer) agrees to a request by a Borrower for a Product Change in relation to a Mortgage Loan that is an Asset of the Series Trust, Commonwealth Bank of Australia may, in its absolute discretion, pay to the Trustee an amount equal to the Fair Market Value (as defined in Section 9.4) of that Mortgage Loan, as determined at the time that payment is made, by no later than the last day of the Collection Period in which the Product Change takes effect. With effect from the time that payment is made:

(a) if a Perfection of Title Event has not occurred in relation to the relevant Mortgage Loan, the Trustee's right, title and interest in relation to the relevant Mortgage Loan and Mortgage Loan Rights will be extinguished in favour of Commonwealth Bank of Australia; or

(b) subject to the Seller's right to repurchase any loan which would otherwise become an asset of the CBA Trust (see Section 6.4 "*Transfer and assignment of the Mortgage Loans*") of the Base Information Memorandum, if a Perfection of Title Event has occurred in relation to the relevant Mortgage Loan, the Trustee will automatically hold

its entire interest in the Mortgage Loan Rights relating to that Mortgage Loan for the CBA Trust.

The amount of the payment from the Seller must be allocated by the Trustee to the Collections Account of the Series Trust. Upon such payment, the Mortgage Loan Rights relating to that Mortgage Loan will no longer form part of the Assets of the Series Trust.

A "**Product Change**" means, in respect of a Mortgage Loan, any:

(a) change in the interest rate basis of the loan (including a change from a floating rate to a fixed rate);

(b) change in the interest rate structure of a loan (including from an amortising loan to an interest-only loan);

(c) a change in the loan structure (including moving from a full documentation to a low documentation loan); and

(d) a change in or substitution of the mortgage security,

in each case requested and initiated by the borrower, but does not include a further advance or any variation to that Mortgage Loan (such as forbearance or deferral) due to financial hardship of the borrower or similar reasons.

## 10.5 Collection and Enforcement Process

When a Mortgage Loan becomes delinquent a contact strategy is initiated to seek repayment of the overdue amounts. Contacts can include digital messages on the mobile platforms, automated phone calls or letters. The point at which contact commences depends on the risk profile of the account, but this will generally be in the first seven days. In the absence of successful contact, a phone call is made to the borrower. If the Mortgage Loans have a direct debit payment arrangement and there are sufficient funds available, a sweep of the nominated account is made to rectify the arrears.

If an arrangement has not been entered into to rectify the arrears, a default notice is sent advising the borrower that if the matter is not rectified within a period of 30 days, Commonwealth Bank of Australia is entitled to commence enforcement proceedings without further notice. The days delinquent that the notice is sent is dependent on the risk profile of the account. Generally, a default notice will be sent by day 60. Normally a further notice will be issued to a borrower on an account by the time it is 90 days delinquent advising the borrower that failure to comply within 30 days will result in Commonwealth Bank of Australia exercising its power of sale. If there is still no arrangement for payments from the customer, a statement of claim is issued by the time the account is 150 days delinquent; in order to ensure that the Commonwealth Bank of Australia is acting as a model litigant and not taking unfair advantage of customers with vulnerabilities, review is undertaken prior to issuance of the statement of claim to ensure all processes and checks have been completed in accordance with legal and regulatory obligations. Service of a statement of claim is the initiating process in the relevant Supreme Court.

Once a borrower is served with a statement of claim, the borrower is given up to 40 days to file a notice of appearance and defence and, failing this, Commonwealth Bank of Australia will apply to the court to have judgment entered in its favour. Commonwealth Bank of Australia will then apply for a writ of possession whereby the sheriff will set an eviction date. Appraisals and valuations are ordered and a reserve price is set for sale by way of public auction, tender or private treaty. These time frames assume that the borrower has either taken no action or has not

honoured any commitments made in relation to the delinquency to the satisfaction of the Commonwealth Bank of Australia and the mortgage insurer.

It should also be noted that Commonwealth Bank of Australia's ability to exercise its power of sale on the mortgaged property is dependent upon the statutory restrictions of the relevant state or territory as to notice requirements. In addition, there may be factors outside the control of the mortgagee such as whether the mortgagor contests the sale and the market conditions at the time of sale. These issues may affect the length of time between the decision of Commonwealth Bank of Australia to exercise its power of sale and final completion of the sale.

The collection and enforcement procedures may change from time to time in accordance with business judgment and changes to legislation and guidelines established by the relevant regulatory bodies.

# 11 Taxation considerations

*The following is a summary of the material Australian withholding tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, "Australian Tax Act") the Taxation Administration Act 1953 ("Taxation Administration Act") of Australia and any relevant rulings, judicial decisions or administrative practice, as at the date of this Supplemental Information Memorandum of the purchase, ownership and disposition of the Class A1-R Notes by Noteholders who purchase the Class A1-R Notes on original issuance at the stated offering price and do not hold the Class A1-R Notes as trading stock. It also sets out a summary of certain other Australian tax matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of Noteholders (including, dealers in securities, custodians or other third parties who hold Class A1-R Notes on behalf of any Noteholders).*

*This summary represents Australian law and administrative practice of the Australian Taxation Office, as in effect on the date of this Supplemental Information Memorandum which is subject to change, possibly with retroactive effect, and should be treated with appropriate caution.*

*The following is not, and should not be construed as, legal or tax advice. It is a general guide only and each prospective Class A1-R Noteholder should consult his or her own tax advisors concerning the tax consequences, in their particular circumstances, of the purchase, ownership and disposition of the Class A1-R Notes.*

## 11.1 Tax Issues for the Series Trust

The Series Trust is part of a consolidated group for Australian income tax purposes. Under consolidation, the head company of the consolidated group has the liability to pay the income tax of the group. Further comments on consolidation are in Section 11.4(a) below of this Supplemental Information Memorandum.

## 11.2 Interest Withholding Tax

(a) **Australian interest withholding tax**

Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act ("**IWT**") will apply in relation to payments of interest (or payments in the nature of interest, as defined in section 128A(1AB) of the Australian Tax Act) on any Class A1-R Notes which are held by a non-resident of Australia (other than a non-resident holding the Notes in carrying on business at or through a permanent establishment in Australia) or a resident holding the Notes in carrying on business at or through a permanent establishment outside Australia unless an exemption is available.

(b) **Exemption in section 128F**

An exemption from IWT is available, in respect of the Class A1-R Notes issued by the Trustee under section 128F of the Australian Tax Act, if the following conditions are met:

(i) the Trustee is a company as defined in section 128F(9) (which includes certain companies acting in their capacity as trustee) and a resident of Australia when it issues those Class A1-R Notes and when interest is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;

(ii) those Class A1-R Notes are debentures or debt interests and are issued in a manner which satisfies the public offer test. There are five

principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Trustee is offering those Class A1-R Notes for issue. In summary, the five methods are:

A. offers to 10 or more unrelated financiers, securities dealers or entities that carry on the business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;

B. offers to 100 or more investors of a certain type;

C. certain offers of listed notes;

D. certain offers via publicly available information sources; and

E. offers to a dealer, manager or underwriter who offers to sell those Class A1-R Notes within 30 days by one of the preceding methods.

(iii) the Trustee does not know or have reasonable grounds to suspect, at the time of issue, that those Class A1-R Notes or interests in those Class A1-R Notes were being, or would later be, acquired, directly or indirectly, by an "associate" of the Trustee, except as permitted by section 128F(5) of the Australian Tax Act (see below); and

(iv) at the time of the payment of interest, the Trustee does not know, or have reasonable grounds to suspect, that the payee is an "associate" of the Trustee, except as permitted by section 128F(6) of the Australian Tax Act (see below).

(c) **Associates**

Since the Trustee is a trustee of a trust, the entities that are "associates" of the Trustee for the purposes of section 128F of the Australian Tax Act include:

(i) any entity that benefits, or is capable of benefiting, under the trust ("**Beneficiary**"), either directly or through any interposed entities; and

(ii) if the Beneficiary is a company, an "associate" of that Beneficiary, which would, for these purposes, include:

A. a person or entity that holds more than 50% of the voting shares in, or otherwise controls, the Beneficiary;

B. an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Beneficiary;

C. a trustee of a trust where the Beneficiary is capable of benefiting (whether directly or indirectly) under that trust; and

D. a person or entity that is an "associate" of another person or entity that is an "associate" of the Beneficiary under sub-paragraph A above.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (b)(iii) and (b)(iv) above), the issue of the Class A1-R Notes to, and the payment of interest to, the following "associates" may still qualify for the exemption from IWT under section 128F:

(iii) onshore "associates" (ie Australian resident "associates" who do not hold Class A1-R Notes in carrying on business at or through a permanent establishment outside Australia and non-resident "associates" who hold the Class A1-R Notes in carrying on business at or through a permanent establishment in Australia); or

(iv) offshore "associates" (ie Australian resident "associates" that hold the Class A1-R Notes in carrying on business at or through a permanent establishment outside Australia and non-resident "associates" who do not hold the Class A1-R Notes in carrying on business at or through a permanent establishment in Australia) who are acting in the capacity of:

A. in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the Class A1-R Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme (as defined in the Corporations Act); or

B. in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (as defined in the Corporations Act).

(d) **Compliance with section 128F of the Australian Tax Act**

The Trustee intends to issue the Class A1-R Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

(e) **Exemptions under recent Tax Treaties**

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

In broad terms, the Specified Treaties prevent IWT being imposed on payments of interest derived by either:

(i) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; or

(ii) a "financial institution" which is a resident of a Specified Country and which is unrelated to and dealing wholly independently with the Trustee. The term "financial institution" refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.

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

(f) **No payment of additional amounts**

Despite the fact that the Class A1-R Notes are intended to be issued in a manner which will satisfy the requirements of section 128F of the Australian Tax Act, if the Trustee is at any time compelled or authorised by law to withhold or deduct an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Class A1-R Notes (including, without limitation, any FATCA Withholding), the Trustee is not obliged to pay any additional amounts in respect of such withholding or deduction.

## 11.3 Other tax matters that are relevant to the Class A1-R Noteholders

Discussed below is a general discussion of certain matters that are relevant to Noteholders, under Australian laws as presently in effect.

(a) **Other taxes**

(i) *death duties* - no Class A1-R Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;

(ii) *stamp duty and other taxes* - no ad valorem stamp duty, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Class A1-R Notes;

(iii) *supply withholding tax* - payments in respect of the Class A1-R Notes can be made free and clear of the "supply withholding tax" imposed under Section 12-190 of Schedule 1 to the Taxation Administration Act; and

(iv) *garnishee directions* – the Commissioner of Taxation may give a direction under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act or any similar provision requiring the Trustee to deduct or withhold from any payment to any other party (including any Class A1-R Noteholder) any amount in respect of tax payable by that other party. If the Trustee is served with such a direction, the Trustee will comply with that direction and make any deduction or withholding required by that direction.

(b) **Non-Australian Noteholders**

(i) *income tax* -other than in respect of IWT (as outlined in Section 11.2 ("*Interest Withholding Tax*"), payments of principal and interest to a Class A1-R Noteholder, who is a non-resident of Australia and who, during the taxable year, does not hold the Class A1-R Notes in carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes;

(ii) *gains on disposal or redemption of Class A1-R Notes* - a Noteholder of the Class A1-R Notes, who is a non-resident of Australia and who, during the taxable year, does not hold the Class A1-R Notes in carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Class A1-R Notes, provided such gains do not have an Australian source. A gain arising on the sale of Class A1-R Notes by a non-Australian resident Noteholder to another non-Australian resident where the Class A1-R Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not be expected to have an Australian source. In certain cases, a non-resident Class A1-R Noteholder may be able to claim a treaty exemption in relation to Australian sourced gains if there is a relevant double tax convention;

(iii) *deemed interest* - there are specific rules that can apply to treat a portion of the purchase price of Class A1-R Notes as interest for IWT purposes when certain notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold by a non-Australian noteholder to an Australian resident (who does not acquire them in carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in carrying on business at or through a permanent establishment in Australia. If the Class A1-R Notes are not issued at a discount and do not have a maturity premium, these rules should not apply to the Class A1-R Notes. These rules also do not apply in circumstances where the relevant notes have been issued in a manner which satisfies the requirements in section 128F of the Australian Tax Act; and

(iv) *additional withholdings from certain payments to non-residents* - Section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are treated as interest under the IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations that have so far been promulgated under section 12-315 prior to the date of this Supplemental Information Memorandum are not applicable to any payments in respect of the Notes. Any further regulations also should not apply to repayments of principal under the Class A1-R Notes, as, in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of the Class A1-R Notes will need to be monitored; and

(v) other withholding taxes on payments in respect of Notes:

A. Section 12-140 of Schedule 1 to the Taxation Administration Act imposes a type of withholding tax (see paragraph (c)(iii) below for the rate of withholding tax) on the payment of

interest on certain registered securities unless the relevant payee has quoted an Australian tax file number ("**TFN**") or an Australian Business Number ("**ABN**") (in certain circumstances) or provided proof of some other exemption (as appropriate). Assuming that the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Class A1-R Notes, then the requirements of Section 12-140 do not apply to payments to a Noteholder of Class A1-R Notes in registered form who is not a resident of Australia and who is not holding those Class A1-R Notes in the course of carrying on business at or through a permanent establishment in Australia; and

B. section 126 of the Australian Tax Act imposes a type of withholding tax on the payment of interest on debentures payable to bearer (other than certain promissory notes) where the issuer fails to disclose to the ATO the names and addresses of the holders. As the Class A1-R Notes are in registered form, any interest payable under the Class A1-R Notes would not be subject to tax under section 126 of the Australian Tax Act; and

(vi) *debt/equity rules* – Division 974 of the Australian Tax Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and IWT. The Trustee intends to issue Class A1-R Notes which should not be characterised as equity interests for the purposes of the tests contained in Division 974. Returns paid on the Class A1-R Notes are expected to be "interest" for the purpose of Division 11A of Part III of the Australian Tax Act. Accordingly, Division 974 is unlikely to affect the Australian tax treatment of holders of Class A1-R Notes; and

(vii) *mutual assistance in the collection of debts* - The Commissioner of Taxation has some powers to collect a taxation debt on behalf of certain foreign taxation authorities if formally requested to do so, or to take conservancy measures to ensure the collection of that debt. Conservancy is concerned with preventing a taxpaying entity from dissipating their assets when they have a tax related liability. The provisions also treat Australian tax debts collected and remitted to Australia by a foreign tax authority as tax debts collected in Australia. In certain circumstances, any foreign tax liabilities of a non-resident Noteholder of the Class A1-R Notes the subject of the measures may be collected by Australia on behalf of another country.

(c) **Australian Noteholders**

(i) *income tax* - Australian residents or non-Australian residents who hold the Class A1-R Notes in carrying on business at or through a permanent establishment in Australia ("**Australian Noteholders**"), will be assessed for Australian tax purposes on income either received or accrued due to them in respect of the Class A1-R Notes. Whether income will be recognised on a cash receipts, accruals basis, or subject to the taxation of financial arrangements provisions (set out at paragraph (d) below) will depend upon the tax status of the particular

Noteholder and the terms and conditions of the Class A1-R Notes. Special rules apply to the taxation of Australian residents who hold the Class A1-R Notes in carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;

(ii) *gains on disposal of Class A1-R Notes* - Australian Noteholders will be required to include any gain or loss on disposal of the Class A1-R Notes in their taxable income. Special rules apply to the taxation of Australian residents who hold the Class A1-R Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located; and

(iii) *other withholding taxes on payments in respect of Class A1-R Notes* - Payments to Australian Noteholders of Class A1-R Notes in registered form may be subject to a withholding where the Noteholder does not quote a TFN or ABN or provide proof of an appropriate exemption (as appropriate). The rate of withholding tax under current law is 47%.

(d) **Taxation of Financial Arrangements**

The Australian Tax Act contains tax-timing rules for certain taxpayers to bring to account gains and losses from "financial arrangements". The rules do not alter the rules relating to the imposition of IWT nor override the IWT exemption available under section 128F of the Australian Tax Act.

In addition, the rules do not apply to certain taxpayers or in respect of certain short term "financial arrangements". They should not, for example, generally apply to Noteholders which are individuals and certain other entities (eg certain superannuation entities and managed investment schemes) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their "financial arrangements". Potential Noteholders of Class A1-R Notes should seek their own tax advice regarding their own personal circumstances as to whether such an election should be made.

## 11.4 Other tax matters that are relevant to the Series Trust

(a) **Tax Consolidation Rules**

Under the tax consolidation rules, the Series Trust is a member of a consolidated group. Under consolidation, the transactions entered into by the members of the consolidated group are effectively ignored for certain income tax purposes and attributed to the head company. The head company has the liability to pay the income tax of the group. However, if the head company fails to make a relevant tax payment promptly, then there is (prima facie) joint and several liability on all group members to pay that tax. That joint and several liability should not arise where the relevant tax obligation is allocated to group members on a reasonable basis under a tax sharing agreement. The Series Trust is party to a tax sharing agreement and such agreement is considered to be a "valid" tax sharing agreement for these purposes.

(b) **Goods and Services Tax**

Australian GST applies at a rate of 10% where an entity makes a "taxable supply". However, a supply will only be taxable to the extent that it is not "GST-free" or "input taxed".

The Series Trust is a member of the GST group of which the Commonwealth Bank of Australia is the representative member ("**CBA GST Group**"). Accordingly, any GST liabilities on supplies made by the Series Trust or credit entitlements relating to acquisitions by the Series Trust will rest with the Commonwealth Bank of Australia. The Series Trust has entered into an indirect tax sharing agreement to ensure that it is liable only for an allocated share of the indirect tax liabilities of the CBA GST Group. It is expected that the Series Trust's allocated share of that liability will be nil.

Neither the issue nor receipt of the Class A1-R Notes will give rise to a liability for GST in Australia on the basis that the supply of Class A1-R Notes will comprise either an input taxed financial supply or (in the case of an offshore non-resident subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Series Trust, nor the disposal of the Class A1-R Notes, would give rise to any GST liability on the part of the Series Trust in Australia.

The supply of some services made to the Series Trust may give rise to a liability for GST on the part of the relevant service provider.

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

(i) In the ordinary course of business, the service provider would charge the Series Trust an additional amount on account of GST unless the agreed fee is already GST-inclusive.

(ii) Commonwealth Bank of Australia (as representative member of the CBA GST Group) would be entitled to full input tax credits to the extent that the acquisition relates to a GST-free supply (i.e. where the subscriber is an offshore non-resident who is not in the "indirect tax zone"). The Commonwealth Bank of Australia would not be entitled to a full input tax credit for acquisitions made by the Series Trust that relate to the making of input taxed supplies.

In such a case, the Commonwealth Bank of Australia may still be entitled to a "reduced input tax credit" ("**RITC**") in relation to certain acquisitions prescribed in the GST regulations, but only where the Series Trust is the recipient of the taxable supply and the Series Trust either provides or is liable to provide the consideration for the taxable supply. A RITC is equivalent to 75% of the value of a full input tax credit, except in respect of the acquisition of certain services made by trustees, in which case the reduced input tax credit will be 55% if the trust concerned is a "recognised trust scheme". Since the Series Trust and other members of the CBA GST Group are regarded as a single entity, that single entity would not be a "recognised trust scheme". The result would therefore be that the 75% RITC rate would apply.

Supplies between members of the same GST Group are disregarded for GST purposes. As such, GST will not apply to supplies made to the Series Trust by other members of the CBA GST Group (for example, management and servicing services) or by the Series Trust to other members of the CBA GST Group.

In the case of supplies which are not connected with the "indirect tax zone" and which are acquired for the purposes of the Series Trust's business, these may attract a liability for Australian GST if they are supplies of a kind which would have been taxable if they occurred in Australia and there would not have been an entitlement to a full input tax credit (eg because the supplies relate wholly or partly to an input taxed supply made by the Series Trust). This is known as the "reverse charge" rule. Where the rule applies, the liability to pay GST on the supply falls onto the entity making the acquisition. As the Series Trust is a member of the CBA GST Group, the Commonwealth Bank of Australia will be liable for any reverse charge GST which may apply to acquisitions made by the Series Trust.

(c) **Taxation of trusts**

The Australian Government has proposed to amend the rules relating to the taxation of trusts in Division 6 of Part III of the Australian Tax Act. It is not currently expected that the outcome of the Government's reform of the taxation of trusts should adversely affect the tax treatment of the Series Trust, however, any proposed changes should be monitored.

On 5 May 2016, the Tax Laws Amendment *(New Tax System for Managed Investment Trusts*) Act 2016 (the "**Act**") received Royal Assent. The Act introduced a managed investment trust regime with effect from 1 July 2016. These amendments only apply to qualifying attribution managed investment trusts ("**AMIT**"). On the basis of the character of the unitholder of the Trust, it is not expected that the Series Trust would qualify as an AMIT.

The Act also amended the definition of exempt entities for the purpose of identifying a public unit trust for the purpose of Division 6C of the Australian Tax Act with effect from 1 July 2016. This change should not adversely affect the Series Trust.

(d) **Pillar Two Global Anti-Base Erosion rules**

On 21 March 2024, the Australian Treasury released exposure draft legislation to implement the OECD's Pillar Two Global Anti-Base Erosion rules ("**GloBE Rules**"). This included the release of primary and subordinate legislation, supported by the incorporation of evolving OECD guidance and commentary. On 4 July 2024, the primary legislation bills were introduced to the House of Representatives and were referred to the Senate Economics Legislation Committee, which delivered its report on 14 August 2024. Relevantly, Parliamentary amendments to the primary legislation bills were proposed on 22 August 2024, to specifically exclude "Securitisation Entities" from being jointly and severally liable to top-up tax amounts of other entities within the "Applicable MNE Group" and certain joint ventures.

As the primary legislation bills are yet to be enacted, and the subordinate legislation is still in exposure draft form, the application of the GLoBE Rules should be considered in further detail once these reforms have all been enacted into law.

# 12 Ratings of the Class A1-R Notes

The issuance of the Class A1-R Notes will be conditioned on obtaining ratings of AAA(sf) by S&P and AAAsf by Fitch Ratings. You should independently evaluate the security ratings of the Class A1-R Notes from similar ratings on other types of securities. A security rating is not a recommendation to buy, sell or hold securities. A rating does not address the market price or suitability of the Class A1-R Notes for an investor. A rating may be subject to revision or withdrawal at any time by the Rating Agencies. The rating does not address the expected schedule of principal repayments other than to say that principal will be returned no later than the Final Maturity Date. None of the Rating Agencies have been involved in the preparation of this Supplemental Information Memorandum.

# 13 Selling Restrictions

No action has been taken by the Trustee or the Lead Manager which would or is intended to permit a public offer of the Class A1-R Notes in any country or jurisdiction where action for that purpose is required. Neither this Supplemental Information Memorandum, the Base Information Memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed in or from or published in any country or jurisdiction except under circumstances which will result in compliance with applicable laws and regulations.

## 13.1 US Selling Restrictions

The Class A1-R Notes have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**") and the Trustee has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended ("**Investment Company Act**"). An interest in the Class A1-R Notes may not be offered, sold, delivered or transferred within the United States of America, its territories or possessions or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S under the Securities Act ("**Regulation S**")) at any time except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act.

## 13.2 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Class A1-R Notes has been or will be lodged with ASIC and:

(a) no invitation or offer, directly or indirectly, of the Class A1-R Notes has been or will be made for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and

(b) no Information Memorandum or any other offering material or advertisement relating to any Class A1-R Notes in Australia may be distributed or published; and

(c) any person to whom Class A1-R Notes (or an interest in them) are issued or sold must not, make such an offer or distribute or publish any such document,

unless, in each case:

(i) either (x) the aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in an alternate currency, and, in either case, disregarding money lent by the offeror or its associates), (y) the offer is to a professional investor for the purposes of section 708 of the Corporations Act, or (z) the offer or invitation does not otherwise require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;

(ii) the offer or invitation does not constitute an offer to a Retail Client;

(iii) such action complies with applicable laws and directives in Australia (including, without limitation the financial services licensing requirements of the Corporations Act); and

(iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in any applicable jurisdiction.

### 13.3 European Economic Area

The Class A1-R Notes are not intended to be offered, sold or otherwise made available to, and, should not be offered, sold or otherwise made available to any EEA Retail Investor in the European Economic Area. For the purposes of this provision:

(a) the expression "EEA Retail Investor" means a person who is one (or more) of the following: (1) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (2) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (3) not a qualified investor for the purposes of Regulation (EU) 2017/1129 (as amended).

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Class A1-R Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Class A1-R Notes.

### 13.4 The United Kingdom

The Class A1-R Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to any UK Retail Investor in the UK. For the purposes of this provision:

(a) the expression "UK Retail Investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565 as it forms part of UK domestic law by virtue of the EUWA and as amended;

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA (such rules and regulations as amended) to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA and as amended; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Class A1-R Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Class A1-R Notes.

### 13.5 Hong Kong

No person may:

(a) offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Class A1-R Notes other than:

(i) to ‘‘professional investors’’ within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended (“SFO”) and any rules made under the SFO;

(ii) in other circumstances which do not result in the document being a ‘‘prospectus’’ within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) as amended (“CWUMPO”) or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(b) unless permitted to do so under the laws of Hong Kong, issue or have in its possession for the purpose of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation, offering material or document relating to the Class A1-R Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong other than with respect to the Class A1-R Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to ‘‘professional investors’’ within the meaning of the SFO and any rules made under the SFO.

### 13.6 Japan

The Class A1-R Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”) and, accordingly, no person may offer or sell any Class A1-R Notes, directly or indirectly, in Japan or to, or for the account or benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

For the purposes of this paragraph, “**Japanese Person**” means a “resident” of Japan as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended). Any branch or office in Japan of a non-resident will be deemed to be a resident irrespective of whether such branch or office has the power to represent such non-resident.

### 13.7 New Zealand

No person may:

(a) offer for sale or transfer or directly or indirectly offer for sale or transfer any Class A1-R Notes; or

(b) distribute directly or indirectly, any offering materials or advertisements in relation to any offer of the Class A1-R Notes;

in each case in New Zealand other than

(c) to persons who are “wholesale investors” as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand (the “**FMC Act**”), being a person who is:

(i) an “investment business”;

(ii) “large”; or

(iii) a "government agency"

(iv) in each case as defined in Schedule 1 to the FMC Act; or

(d) in other circumstances where there is no contravention of the FMC Act, provided that (without limiting paragraph (c) above) Class A1-R Notes may not be offered or transferred to any "eligible investors" (as defined in the FMC Act) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMCA.

### 13.8 Switzerland

This Supplemental Information Memorandum does not constitute an offer or solicitation to purchase or invest in any Class A1-R Notes and may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the "**FinSA**") and neither this Supplemental Information Memorandum nor any other offering or marketing material relating to the Class A1-R Notes constitutes a prospectus pursuant to the FinSA and neither this Supplemental Information Memorandum nor any other offering or marketing material relating to the Class A1-R Notes may be distributed or otherwise made publicly available in, into or from Switzerland.

### 13.9 Singapore

This Supplemental Information Memorandum has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Supplemental Information Memorandum and any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Class A1-R Notes may not be circulated or distributed, nor may the Class A1-R Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore as modified or amended from time to time (the "**SFA**")) pursuant to section 274 of the SFA; or

(b) to an accredited investor (as defined in section 4A of the SFA) pursuant to and in accordance with the conditions specified in section 275 of the SFA.

### 13.10 People's Republic of China

The Class A1-R Notes may not be sold or offered in the People's Republic of China and may only be offered and sold to People's Republic of China resident investors from outside the People's Republic of China in such a manner as complies with securities laws and regulations applicable to such cross border activities in the People's Republic of China.

### 13.11 General

These selling restrictions may be modified with the agreement of the Manager and the Lead Manager following a change in or clarification of a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country concerned or any change in or introduction of any of them or in interpretation or administration

# 14 Transaction Documents

The documents referred to below are the Transaction Documents in respect of the Series Trust:

(a) the Master Trust Deed between the Trustee and the Manager, dated 8 October 1997 (as amended);

(b) the Series Supplement between the Trustee, the Manager and Commonwealth Bank of Australia (as the Seller and the Servicer) dated 22 November 2019 (as amended on 12 August 2022 and on 19 November 2024);

(c) the Security Trust Deed between the Trustee, the Manager and the Security Trustee, dated 22 November 2019;

(d) the Liquidity Facility Agreement between the Trustee, the Manager and the Liquidity Facility Provider, dated 22 November 2019;

(e) the basis swaps and fixed rate swap between the Trustee, the Manager and the Interest Rate Swap Provider dated on or about 22 November 2019 and the Class A1-R Note swap between the Trustee, the Manager and the Interest Rate Swap Provider dated on or about 19 November 2024, entered into pursuant to the ISDA Master Agreement, related schedule and each credit support annex between the Trustee, the Manager, the Basis Swap Provider and the Fixed Rate Swap Provider dated as of 22 November 2019 (as amended on or about 19 November 2024);

(f) the Dealer Agreement between the Trustee, the Manager, the Arranger and Macquarie Bank Limited, dated 25 November 2019; and

(g) the Dealer Agreement in relation to the Class A1-R Notes between the Trustee, the Manager and the Lead Manager, dated 13 November 2024, which together with the Dealer Agreement described in paragraph (f) above, is a "**Dealer Agreement**" for the purposes of the Series Trust.

# Directory

| | |
|---|---|
| **Trustee** | Perpetual Trustee Company Limited<br>Level 18<br>123 Pitt Street<br>Sydney NSW 2000 |
| **Security Trustee** | P.T. Limited<br>Level 18<br>123 Pitt Street<br>Sydney NSW 2000 |
| **Manager** | Securitisation Advisory Services Pty. Limited<br>Commonwealth Bank Place South<br>Level 1, 11 Harbour Street<br>Sydney NSW 2000 |
| **Liquidity Facility Provider and Interest Rate Swap Provider** | Commonwealth Bank of Australia<br>Commonwealth Bank Place South<br>Level 1, 11 Harbour Street<br>Sydney NSW 2000 |
| **Seller** | Commonwealth Bank of Australia<br>Commonwealth Bank Place South<br>Level 1, 11 Harbour Street<br>Sydney NSW 2000 |
| **Servicer** | Commonwealth Bank of Australia<br>Commonwealth Bank Place South<br>Level 1, 11 Harbour Street<br>Sydney NSW 2000 |
| **Lead Manager** | Commonwealth Bank of Australia<br>Commonwealth Bank Place South<br>Level 1, 11 Harbour Street<br>Sydney NSW 2000 |
| **Arranger and Bookrunner** | Commonwealth Bank of Australia<br>Commonwealth Bank Place South<br>Level 1, 11 Harbour Street<br>Sydney NSW 2000 |
| **Solicitors to Commonwealth Bank of Australia and Securitisation Advisory Services Pty Limited** | King & Wood Mallesons<br>Level 61<br>Governor Phillip Tower<br>1 Farrer Place<br>Sydney NSW 2000 |

# Appendix A

# Mortgage Loan Information

Subsequent to the Closing Date, certain existing Mortgage Loans were split into multiple Mortgage Loans in order to accommodate Borrower requests, including in relation to fixing interest rates.

For the purposes of calculating the summary of the characteristics of the Mortgage Loan pool above:

- statistics in relation to:
    - the "*Total Security Valuation*" calculations in each table; and
    - the "*Weighted Average Current LTV (%)*"calculations in in the "*Pool Profile by Current Loan to Value Ratio (LTV)*" table,

  are determined as if all Mortgage Loans from a single Borrower constitute one single consolidated loan secured by all properties securing those Mortgage Loans, with the security valuations for the relevant properties securing the original Mortgage Loan and the split Mortgage Loan being allocated to the original Mortgage Loan; and
- for all other purposes, each Mortgage Loan is treated as an individual loan with:
    - any Mortgage Loan split into multiple Mortgage Loans as separate loans;
    - the new Mortgage Loan is taken to be originated as at the date the original Mortgage Loan was split;
    - the original Mortgage Loan is taken to have been repaid by the amount of the balance of the newly created Mortgage Loan.

**Pool Profile by Origination Channel**

| Origination Channel | No. of Loans | Total Loan Balance (A$) | % by Loan Balance | Weighted Average Interest Rate (%) | Weighted Average Current LTV (%) | Weighted Average Term to Maturity (in months) |
|---|---|---|---|---|---|---|
| Commonwealth Bank | 1,430 | $302,518,595 | 72.79% | 6.57% | 45.77% | 247 |
| Commonwealth Bank approved mortgage-broker originated (Colonial Brand) | 475 | $113,092,771 | 27.21% | 6.21% | 51.93% | 249 |
| **Total** | **1,905** | **$415,611,366** | **100%** | **6.47%** | **47.45%** | **248** |

## Pool Profile by Year of Origination (Quarterly)

| Year of Origination | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 2002Q1 | 1 | $440,000 | $129,572 | 29.45% | $129,572 | 0.03% |
| 2002Q2 | 2 | $1,200,000 | $105,583 | 16.92% | $52,791 | 0.03% |
| 2002Q3 | 1 | $650,000 | $171,903 | 26.45% | $171,903 | 0.04% |
| 2002Q4 | 1 | $457,320 | $811 | 0.18% | $811 | 0.00% |
| 2003Q3 | 3 | $1,990,000 | $97,325 | 9.91% | $32,442 | 0.02% |
| 2003Q4 | 4 | $3,190,511 | $416,925 | 23.07% | $104,231 | 0.10% |
| 2004Q1 | 1 | $460,000 | $315,822 | 68.66% | $315,822 | 0.08% |
| 2004Q2 | 1 | $525,000 | $220 | 0.04% | $220 | 0.00% |
| 2004Q3 | 1 | $899,937 | $1,444 | 0.16% | $1,444 | 0.00% |
| 2004Q4 | 1 | $930,000 | $200,016 | 21.51% | $200,016 | 0.05% |
| 2005Q1 | 3 | $2,033,000 | $171,007 | 10.49% | $57,003 | 0.04% |
| 2005Q2 | 3 | $850,852 | $274,339 | 36.28% | $91,446 | 0.07% |
| 2005Q3 | 2 | $1,123,501 | $242,063 | 25.11% | $121,032 | 0.06% |
| 2005Q4 | 5 | $2,268,000 | $572,495 | 38.89% | $114,499 | 0.14% |
| 2006Q1 | 5 | $3,910,000 | $515,180 | 24.09% | $103,036 | 0.12% |
| 2006Q2 | 11 | $5,965,000 | $1,049,594 | 34.09% | $95,418 | 0.25% |
| 2006Q3 | 4 | $1,915,000 | $475,075 | 28.23% | $118,769 | 0.11% |
| 2006Q4 | 8 | $4,924,000 | $1,255,427 | 35.32% | $156,928 | 0.30% |
| 2007Q1 | 4 | $3,252,468 | $292,095 | 20.07% | $73,024 | 0.07% |
| 2007Q2 | 9 | $4,281,755 | $864,963 | 40.11% | $96,107 | 0.21% |
| 2007Q3 | 8 | $3,785,000 | $1,092,388 | 31.43% | $136,549 | 0.26% |
| 2007Q4 | 16 | $7,880,000 | $2,375,140 | 35.41% | $148,446 | 0.57% |
| 2008Q1 | 11 | $5,614,404 | $704,150 | 26.15% | $64,014 | 0.17% |
| 2008Q2 | 7 | $3,018,000 | $951,260 | 41.11% | $135,894 | 0.23% |
| 2008Q3 | 16 | $9,216,967 | $2,346,682 | 38.57% | $146,668 | 0.56% |
| 2008Q4 | 17 | $10,903,000 | $2,687,894 | 39.23% | $158,111 | 0.65% |
| 2009Q1 | 21 | $12,399,067 | $3,464,073 | 39.21% | $164,956 | 0.83% |
| 2009Q2 | 14 | $6,348,000 | $1,632,272 | 43.69% | $116,591 | 0.39% |
| 2009Q3 | 16 | $12,323,572 | $2,799,002 | 46.81% | $174,938 | 0.67% |
| 2009Q4 | 16 | $10,839,000 | $2,554,881 | 36.26% | $159,680 | 0.61% |
| 2010Q1 | 17 | $12,856,775 | $2,742,348 | 30.17% | $161,315 | 0.66% |
| 2010Q2 | 15 | $11,719,289 | $2,775,889 | 31.33% | $185,059 | 0.67% |
| 2010Q3 | 18 | $13,533,557 | $2,903,334 | 34.11% | $161,296 | 0.70% |
| 2010Q4 | 14 | $8,667,900 | $2,212,109 | 37.48% | $158,008 | 0.53% |
| 2011Q1 | 9 | $6,608,500 | $1,981,149 | 42.41% | $220,128 | 0.48% |
| 2011Q2 | 26 | $20,573,973 | $4,328,990 | 33.85% | $166,500 | 1.04% |
| 2011Q3 | 18 | $9,827,000 | $2,321,425 | 49.19% | $128,968 | 0.56% |
| 2011Q4 | 28 | $18,625,500 | $5,020,454 | 48.20% | $179,302 | 1.21% |
| 2012Q1 | 14 | $8,127,950 | $2,357,100 | 39.49% | $168,364 | 0.57% |
| 2012Q2 | 10 | $4,284,005 | $1,917,830 | 50.55% | $191,783 | 0.46% |
| 2012Q3 | 27 | $18,724,012 | $3,419,206 | 41.30% | $126,637 | 0.82% |
| 2012Q4 | 23 | $11,814,889 | $3,459,083 | 44.34% | $150,395 | 0.83% |
| 2013Q1 | 27 | $15,118,498 | $4,746,133 | 46.54% | $175,783 | 1.14% |

| Year of Origination | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 2013Q2 | 42 | $27,727,137 | $7,052,692 | 43.37% | $167,921 | 1.70% |
| 2013Q3 | 25 | $11,258,027 | $4,309,154 | 49.59% | $172,366 | 1.04% |
| 2013Q4 | 34 | $20,911,999 | $7,616,671 | 50.26% | $224,020 | 1.83% |
| 2014Q1 | 24 | $11,222,000 | $3,863,561 | 50.71% | $160,982 | 0.93% |
| 2014Q2 | 41 | $21,852,630 | $8,474,005 | 49.46% | $206,683 | 2.04% |
| 2014Q3 | 37 | $20,002,090 | $8,146,132 | 48.03% | $220,166 | 1.96% |
| 2014Q4 | 41 | $28,951,847 | $9,777,636 | 45.17% | $238,479 | 2.35% |
| 2015Q1 | 58 | $35,750,736 | $11,929,340 | 49.76% | $205,678 | 2.87% |
| 2015Q2 | 63 | $40,660,906 | $15,876,480 | 49.01% | $252,008 | 3.82% |
| 2015Q3 | 50 | $39,683,056 | $12,796,588 | 46.77% | $255,932 | 3.08% |
| 2015Q4 | 67 | $39,488,827 | $14,495,955 | 49.00% | $216,358 | 3.49% |
| 2016Q1 | 46 | $34,787,220 | $10,193,728 | 43.99% | $221,603 | 2.45% |
| 2016Q2 | 48 | $34,948,085 | $11,924,120 | 49.47% | $248,419 | 2.87% |
| 2016Q3 | 67 | $45,631,430 | $17,484,194 | 53.01% | $260,958 | 4.21% |
| 2016Q4 | 56 | $39,609,500 | $14,456,110 | 54.48% | $258,145 | 3.48% |
| 2017Q1 | 54 | $36,646,102 | $13,354,486 | 52.31% | $247,305 | 3.21% |
| 2017Q2 | 51 | $39,593,021 | $15,783,528 | 49.66% | $309,481 | 3.80% |
| 2017Q3 | 66 | $55,035,467 | $21,064,603 | 53.09% | $319,161 | 5.07% |
| 2017Q4 | 150 | $114,960,397 | $37,429,381 | 49.20% | $249,529 | 9.01% |
| 2018Q1 | 198 | $154,833,515 | $48,071,529 | 48.06% | $242,786 | 11.57% |
| 2018Q2 | 171 | $125,489,046 | $41,803,412 | 47.74% | $244,464 | 10.06% |
| 2018Q3 | 58 | $38,998,088 | $11,763,410 | 43.18% | $202,817 | 2.83% |
| **Total** | **1,905** | **$1,302,116,328** | **$415,611,366** | **47.45%** | **$218,169** | **100.00%** |

**Pool Profile by Geographic Distribution**

| Region | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| **Australian Capital Territory** | | | | | | |
| Metro | 39 | $25,273,498 | $9,559,913 | 52.58% | $245,126 | 2.30% |
| **New South Wales** | | | | | | |
| Inner City | 6 | $5,286,000 | $3,039,972 | 59.73% | $506,662 | 0.73% |
| Metro | 347 | $354,588,350 | $108,631,320 | 45.61% | $313,059 | 26.14% |
| Non Metro | 180 | $107,856,450 | $30,949,965 | 44.10% | $171,944 | 7.45% |
| **Northern Territory** | | | | | | |
| Metro | 10 | $5,006,500 | $1,980,717 | 59.20% | $198,072 | 0.48% |
| Non Metro | 6 | $2,605,000 | $1,642,033 | 63.94% | $273,672 | 0.40% |
| **Queensland** | | | | | | |
| Inner City | 4 | $2,082,000 | $1,034,196 | 52.57% | $258,549 | 0.25% |
| Metro | 194 | $126,059,207 | $43,739,926 | 49.82% | $225,464 | 10.52% |
| Non Metro | 173 | $71,881,527 | $27,187,269 | 51.54% | $157,152 | 6.54% |
| **South Australia** | | | | | | |
| Inner City | 1 | $250,000 | $163,270 | 65.31% | $163,270 | 0.04% |
| Metro | 100 | $50,532,890 | $19,326,705 | 52.82% | $193,267 | 4.65% |
| Non Metro | 34 | $15,256,000 | $5,217,984 | 47.76% | $153,470 | 1.26% |
| **Tasmania** | | | | | | |
| Inner City | 2 | $1,130,099 | $180,771 | 16.02% | $90,386 | 0.04% |
| Metro | 21 | $7,787,562 | $3,032,913 | 50.55% | $144,424 | 0.73% |
| Non Metro | 30 | $11,239,618 | $4,628,713 | 54.21% | $154,290 | 1.11% |
| **Victoria** | | | | | | |
| Inner City | 15 | $6,715,340 | $3,296,965 | 58.66% | $219,798 | 0.79% |
| Metro | 452 | $355,732,795 | $98,900,523 | 44.37% | $218,806 | 23.80% |
| Non Metro | 132 | $60,447,224 | $19,665,603 | 46.58% | $148,982 | 4.73% |
| **Western Australia** | | | | | | |
| Inner City | 6 | $3,151,515 | $1,338,632 | 52.48% | $223,105 | 0.32% |
| Metro | 107 | $70,829,689 | $24,767,890 | 49.37% | $231,476 | 5.96% |
| Non Metro | 46 | $18,405,064 | $7,326,084 | 51.87% | $159,263 | 1.76% |
| **Total** | **1,905** | **$1,302,116,328** | **$415,611,366** | **47.45%** | **$218,169** | **100.00%** |

**Pool Profile by Balance Outstanding**

| Current Loan Balance (A$) | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 0.00 < $A <= 50,000.00 | 263 | $176,134,949 | $4,498,271 | 8.13% | $17,104 | 1.08% |
| 50,000.00 < $A <= 100,000.00 | 223 | $121,985,504 | $16,882,949 | 22.31% | $75,708 | 4.06% |
| 100,000.00 < $A <= 150,000.00 | 254 | $137,620,146 | $31,878,149 | 34.06% | $125,505 | 7.67% |
| 150,000.00 < $A <= 200,000.00 | 251 | $134,496,099 | $44,022,005 | 42.09% | $175,386 | 10.59% |
| 200,000.00 < $A <= 250,000.00 | 237 | $138,676,867 | $53,359,647 | 46.88% | $225,146 | 12.84% |
| 250,000.00 < $A <= 300,000.00 | 190 | $122,338,541 | $52,193,301 | 49.49% | $274,702 | 12.56% |
| 300,000.00 < $A <= 350,000.00 | 146 | $112,308,706 | $46,966,760 | 50.82% | $321,690 | 11.30% |
| 350,000.00 < $A <= 400,000.00 | 104 | $95,660,449 | $38,621,488 | 49.21% | $371,360 | 9.29% |
| 400,000.00 < $A <= 450,000.00 | 67 | $65,143,094 | $28,554,536 | 53.49% | $426,187 | 6.87% |
| 450,000.00 < $A <= 500,000.00 | 52 | $49,912,393 | $24,703,055 | 54.73% | $475,059 | 5.94% |
| 500,000.00 < $A <= 550,000.00 | 34 | $32,806,840 | $17,788,436 | 57.65% | $523,189 | 4.28% |
| 550,000.00 < $A <= 600,000.00 | 26 | $27,065,009 | $14,960,278 | 57.91% | $575,395 | 3.60% |
| 600,000.00 < $A <= 650,000.00 | 18 | $27,829,536 | $11,209,665 | 46.54% | $622,759 | 2.70% |
| 650,000.00 < $A <= 700,000.00 | 12 | $20,882,000 | $8,111,502 | 49.09% | $675,959 | 1.95% |
| 700,000.00 < $A <= 750,000.00 | 11 | $13,894,000 | $7,948,906 | 63.88% | $722,628 | 1.91% |
| 750,000.00 < $A <= 800,000.00 | 7 | $10,292,195 | $5,471,508 | 54.42% | $781,644 | 1.32% |
| 800,000.00 < $A <= 850,000.00 | 5 | $7,069,000 | $4,078,384 | 60.25% | $815,677 | 0.98% |
| 850,000.00 < $A <= 900,000.00 | 4 | $5,665,000 | $3,453,939 | 63.28% | $863,485 | 0.83% |
| 900,000.00 < $A <= 950,000.00 | 1 | $2,336,000 | $908,587 | 38.89% | $908,587 | 0.22% |
| **Total** | **1,905** | **$1,302,116,328** | **$415,611,366** | **47.45%** | **$218,169** | **100.00%** |

**Pool Profile by Current Loan to Value Ratio (LTV)**

| Current LTV (%) | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 0.00 < LVR <= 5.00 | 198 | $162,609,042 | $2,451,581 | 3.08% | $12,382 | 0.59% |
| 5.00 < LVR <= 10.00 | 110 | $116,687,363 | $8,680,410 | 7.71% | $78,913 | 2.09% |
| 10.00 < LVR <= 15.00 | 118 | $103,037,431 | $12,806,497 | 12.60% | $108,530 | 3.08% |
| 15.00 < LVR <= 20.00 | 106 | $97,738,871 | $17,184,780 | 17.70% | $162,121 | 4.13% |
| 20.00 < LVR <= 25.00 | 115 | $94,511,585 | $21,335,413 | 22.66% | $185,525 | 5.13% |
| 25.00 < LVR <= 30.00 | 113 | $81,677,684 | $22,609,147 | 27.76% | $200,081 | 5.44% |
| 30.00 < LVR <= 35.00 | 124 | $87,904,327 | $28,456,778 | 32.44% | $229,490 | 6.85% |
| 35.00 < LVR <= 40.00 | 110 | $76,121,606 | $28,534,392 | 37.54% | $259,404 | 6.87% |
| 40.00 < LVR <= 45.00 | 119 | $78,021,141 | $33,238,942 | 42.65% | $279,319 | 8.00% |
| 45.00 < LVR <= 50.00 | 136 | $78,650,479 | $37,321,292 | 47.50% | $274,421 | 8.98% |
| 50.00 < LVR <= 55.00 | 122 | $67,096,093 | $35,251,818 | 52.58% | $288,949 | 8.48% |
| 55.00 < LVR <= 60.00 | 139 | $69,843,402 | $40,106,901 | 57.46% | $288,539 | 9.65% |
| 60.00 < LVR <= 65.00 | 162 | $78,638,086 | $49,049,103 | 62.41% | $302,772 | 11.80% |
| 65.00 < LVR <= 70.00 | 111 | $54,188,287 | $36,568,669 | 67.51% | $329,447 | 8.80% |
| 70.00 < LVR <= 75.00 | 56 | $25,196,283 | $18,152,108 | 72.08% | $324,145 | 4.37% |
| 75.00 < LVR <= 80.00 | 50 | $24,120,648 | $18,836,697 | 78.13% | $376,734 | 4.53% |
| 80.00 < LVR <= 85.00 | 14 | $5,011,000 | $4,098,827 | 81.82% | $292,773 | 0.99% |
| 85.00 < LVR <= 90.00 | 2 | $1,063,000 | $928,013 | 87.30% | $464,007 | 0.22% |
| **Total** | **1,905** | **$1,302,116,328** | **$415,611,366** | **47.45%** | **$218,169** | **100.00%** |

**Pool Profile by Year of Maturity**

| Maturity Year | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 2025 | 1 | $800,000 | $9,111 | 1.14% | $9,111 | 0.00% |
| 2026 | 1 | $170,000 | $24,786 | 14.58% | $24,786 | 0.01% |
| 2027 | 2 | $715,000 | $98,909 | 17.31% | $49,455 | 0.02% |
| 2028 | 17 | $15,150,441 | $669,473 | 11.47% | $39,381 | 0.16% |
| 2029 | 3 | $2,725,000 | $278,241 | 21.72% | $92,747 | 0.07% |
| 2030 | 4 | $1,622,723 | $325,757 | 28.81% | $81,439 | 0.08% |
| 2031 | 5 | $2,590,207 | $499,053 | 27.34% | $99,811 | 0.12% |
| 2032 | 8 | $5,833,000 | $1,171,186 | 24.39% | $146,398 | 0.28% |
| 2033 | 23 | $17,399,192 | $2,130,168 | 20.42% | $92,616 | 0.51% |
| 2034 | 10 | $5,380,434 | $1,032,550 | 31.12% | $103,255 | 0.25% |
| 2035 | 29 | $18,621,648 | $3,342,043 | 27.49% | $115,243 | 0.80% |
| 2036 | 36 | $22,970,648 | $5,038,211 | 31.20% | $139,950 | 1.21% |
| 2037 | 52 | $30,272,171 | $7,013,529 | 34.33% | $134,876 | 1.69% |
| 2038 | 72 | $49,387,871 | $8,310,871 | 30.58% | $115,429 | 2.00% |
| 2039 | 63 | $40,241,082 | $10,313,769 | 39.84% | $163,711 | 2.48% |
| 2040 | 76 | $55,255,686 | $14,193,931 | 36.52% | $186,762 | 3.42% |
| 2041 | 81 | $56,361,064 | $13,361,937 | 40.35% | $164,962 | 3.22% |
| 2042 | 83 | $52,297,665 | $13,243,856 | 41.99% | $159,565 | 3.19% |
| 2043 | 141 | $81,702,218 | $27,185,361 | 46.31% | $192,804 | 6.54% |
| 2044 | 123 | $67,388,685 | $26,442,333 | 50.21% | $214,978 | 6.36% |
| 2045 | 207 | $137,148,910 | $48,859,246 | 48.88% | $236,035 | 11.76% |
| 2046 | 211 | $147,963,859 | $52,165,542 | 50.54% | $247,230 | 12.55% |
| 2047 | 251 | $183,201,002 | $70,823,482 | 52.92% | $282,165 | 17.04% |
| 2048 | 388 | $292,889,259 | $102,000,623 | 49.45% | $262,888 | 24.54% |
| 2049 | 12 | $9,564,162 | $5,083,866 | 59.69% | $423,655 | 1.22% |
| 2050 | 6 | $4,464,401 | $1,993,533 | 51.21% | $332,256 | 0.48% |
| **Total** | **1,905** | **$1,302,116,328** | **$415,611,366** | **47.45%** | **$218,169** | **100.00%** |

**Pool Profile by Loan Purpose**

| Loan Purpose | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| Owner Occupied | 1,541 | $1,076,596,129 | $309,799,102 | 44.19% | $201,038 | 74.54% |
| Investment | 364 | $225,520,199 | $105,812,263 | 56.99% | $290,693 | 25.46% |
| **Total** | **1,905** | **$1,302,116,328** | **$415,611,366** | **47.45%** | **$218,169** | **100.00%** |

**Pool Profile by Amortisation**

| Payment Type | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| Principal and Interest | 1,861 | $1,272,414,060 | $398,385,727 | 46.64% | $214,071 | 95.86% |
| Interest Only | 44 | $29,702,268 | $17,225,638 | 66.16% | $391,492 | 4.14% |
| **Total** | **1,905** | **$1,302,116,328** | **$415,611,366** | **47.45%** | **$218,169** | **100.00%** |

**Pool Profile by Mortgage Insurer**

| Mortgage Insurer | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| No Insurance | 1,541 | $1,141,101,965 | $346,924,742 | 46.14% | $225,130 | 83.47% |
| Genworth | 364 | $161,014,363 | $68,686,624 | 54.07% | $188,700 | 16.53% |
| **Total** | **1,905** | **$1,302,116,328** | **$415,611,366** | **47.45%** | **$218,169** | **100.00%** |

**Pool Profile by Loan Type**

| Loan Type | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| Variable | 1,738 | $1,207,352,580 | $374,933,628 | 46.93% | $215,727 | 90.21% |
| Fixed < 12 Months | 105 | $66,893,922 | $27,447,086 | 51.50% | $261,401 | 6.60% |
| 1yr Fixed | 48 | $21,653,077 | $10,285,138 | 53.52% | $214,274 | 2.47% |
| 2yr Fixed | 11 | $5,322,345 | $2,488,739 | 52.67% | $226,249 | 0.60% |
| 3yr Fixed | 2 | $714,404 | $345,571 | 61.04% | $172,786 | 0.08% |
| 4yr Fixed | 1 | $180,000 | $111,204 | 61.78% | $111,204 | 0.03% |
| **Total** | **1,905** | **$1,302,116,328** | **$415,611,366** | **47.45%** | **$218,169** | **100.00%** |

**Pool Profile by Current Interest Rates**

| Current Interest Rate (%) | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 1.50 < rate <= 2.00 | 43 | $29,681,003 | $12,114,136 | 47.96% | $281,724 | 2.91% |
| 2.00 < rate <= 2.50 | 27 | $19,905,503 | $6,526,626 | 50.18% | $241,727 | 1.57% |
| 2.50 < rate <= 3.00 | 12 | $6,000,345 | $2,880,498 | 53.63% | $240,042 | 0.69% |
| 3.00 < rate <= 3.50 | 8 | $4,047,089 | $1,713,835 | 45.07% | $214,229 | 0.41% |
| 3.50 < rate <= 4.00 | 3 | $2,936,000 | $1,355,863 | 58.92% | $451,954 | 0.33% |
| 4.00 < rate <= 4.50 | 3 | $1,568,381 | $1,002,116 | 64.87% | $334,039 | 0.24% |
| 4.50 < rate <= 5.00 | 4 | $1,879,000 | $750,383 | 40.66% | $187,596 | 0.18% |
| 5.00 < rate <= 5.50 | 6 | $2,751,000 | $1,278,321 | 55.25% | $213,054 | 0.31% |
| 5.50 < rate <= 6.00 | 46 | $29,539,153 | $10,950,915 | 46.99% | $238,063 | 2.63% |
| 6.00 < rate <= 6.50 | 753 | $596,987,675 | $192,453,414 | 46.01% | $255,582 | 46.31% |
| 6.50 < rate <= 7.00 | 308 | $196,557,537 | $74,560,514 | 53.89% | $242,080 | 17.94% |
| 7.00 < rate <= 7.50 | 250 | $169,074,653 | $47,940,166 | 43.83% | $191,761 | 11.53% |
| 7.50 < rate <= 8.00 | 228 | $137,226,277 | $35,656,623 | 46.18% | $156,389 | 8.58% |
| 8.00 < rate <= 8.50 | 154 | $70,223,132 | $19,660,039 | 46.11% | $127,663 | 4.73% |
| 8.50 < rate <= 9.00 | 54 | $29,065,872 | $5,415,671 | 41.06% | $100,290 | 1.30% |
| 9.00 < rate <= 9.50 | 4 | $3,573,708 | $832,846 | 49.22% | $208,212 | 0.20% |
| 9.50 < rate <= 10.00 | 2 | $1,100,000 | $519,397 | 54.84% | $259,698 | 0.12% |
| **Total** | **1,905** | **$1,302,116,328** | **$415,611,366** | **47.45%** | **$218,169** | **100.00%** |

**Profile by Debtor Category – First Home Loan or non-First Home Loan**

| Debtor category | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| Non-First Home Loan | 1,712 | $1,213,316,438 | $381,162,194 | 47.13% | $222,641 | 91.71% |
| First Home Loan | 193 | $88,799,890 | $34,449,172 | 50.98% | $178,493 | 8.29% |
| **Total** | **1,905** | **$1,302,116,328** | **$415,611,366** | **47.45%** | **$218,169** | **100.00%** |

**Profile by Debtor Category – Employment**

| Employment category | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| Farmers, Fishermen, Miners | 42 | $21,874,502 | $7,580,886 | 46.27% | $180,497 | 1.82% |
| Independent means | 139 | $97,278,656 | $25,469,599 | 43.73% | $183,235 | 6.13% |
| PAYE Employees | 851 | $544,490,056 | $181,876,488 | 48.39% | $213,721 | 43.76% |
| Professional | 731 | $547,133,003 | $171,962,191 | 46.98% | $235,242 | 41.38% |
| Sales | 101 | $60,753,819 | $18,326,458 | 47.67% | $181,450 | 4.41% |
| Self-employed | 41 | $30,586,292 | $10,395,744 | 48.33% | $253,555 | 2.50% |
| **Total** | **1,905** | **$1,302,116,328** | **$415,611,366** | **47.45%** | **$218,169** | **100.00%** |

**ANNEXURE – BASE INFORMATION MEMORANDUM**

# Medallion Trust

## Medallion Trust Series 2019-1
## Information Memorandum

**A$1,500,000,000**

**Mortgage Backed Secured Pass Through Floating Rate Notes Comprising**

**A$1,380,000,000**
**Class A1 Mortgage Backed Pass-Through Floating Rate Securities due January 2052**

*Ratings "AAA(sf)" by S&P Global Ratings Australia Pty Ltd*
*"AAAsf" by Fitch Australia Pty Ltd*

**A$57,000,000**
**Class A2 Mortgage Backed Pass-Through Floating Rate Securities due January 2052**

*Ratings*
*"AAA(sf)" by S&P Global Ratings Australia Pty Ltd*
*"AAAsf" by Fitch Australia Pty Ltd*

**A$27,000,000**
**Class B Mortgage Backed Pass-Through Floating Rate Securities due January 2052**

*Rating*
*"AA(sf)" by S&P Global Ratings Australia Pty Ltd*

**A$16,500,000**
**Class C Mortgage Backed Pass-Through Floating Rate Securities due January 2052**

*Rating*
*"A(sf)" by S&P Global Ratings Australia Pty Ltd*

**A$7,500,000**
**Class D Mortgage Backed Pass-Through Floating Rate Securities due January 2052**

*Rating*
*"BBB(sf)" by S&P Global Ratings Australia Pty Ltd*

**A$6,000,000**
**Class E Mortgage Backed Pass-Through Floating Rate Securities due January 2052**

*Rating*
*"BB(sf)" by S&P Global Ratings Australia Pty Ltd*

**A$6,000,000**

**Class F Mortgage Backed Pass-Through Floating Rate Securities due January 2052**

*Unrated*

**Arranger, Bookrunner and Lead Manager**
**Commonwealth Bank of Australia**
ABN 48 123 123 124

**Co-Managers**

**Citigroup Global Markets Australia Pty Ltd**
ABN 64 003 114 832

**Deutsche Bank AG, Sydney Branch**
ABN 13 064 165 162

**Macquarie Bank Limited**
ABN 46 008 583 542

**5 December 2019**

**No Guarantee by Commonwealth Bank of Australia, Citigroup, Deutsche Bank or Macquarie**

The Notes do not represent deposits or other liabilities of Commonwealth Bank of Australia (ABN 48 123 123 124) ("**Commonwealth Bank of Australia**"), Citigroup Global Markets Australia Pty Ltd (ABN 64 003 114 832) ("**Citi**" and together with its related bodies corporate, "**Citigroup**"), Deutsche Bank AG, Sydney Branch (ABN 13 064 165 162) ("**Deutsche Bank**"), Macquarie Bank Limited (ABN 46 008 583 542) ("**Macquarie**") or any other member of the Commonwealth Bank of Australia group, Citigroup, the Deutsche Bank group or the Macquarie group. None of Commonwealth Bank of Australia, Securitisation Advisory Services Pty Limited ABN 88 064 133 946 (the "**Manager**") or any other member of the Commonwealth Bank of Australia group, Citigroup, the Deutsche Bank group or the Macquarie 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 Commonwealth Bank of Australia or any other member of the Commonwealth Bank of Australia group, Citigroup, the Deutsche Bank group or the Macquarie group.

**The Notes are 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.

**US Selling Restrictions**

The Notes have not been and will not be registered under the Securities Act and unless so registered may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes are being offered and sold only to persons (other than United States persons) outside the United States pursuant to Regulation S and the Securities Act. For a description of certain further restrictions on offers, transfers and sales of the Notes and the distribution of this Information Memorandum, see Section 1 ("*Important Notice"*), Section 2.15(a) ("*Miscellaneous*") and Section 14 ("*Selling Restrictions*") below.

# Table of Contents

# 1 Important notice

## 1.1 Terms

References in this Information Memorandum (the "**Information Memorandum**") to various documents are explained in Section 16 ("*Transaction Documents*"). Unless defined elsewhere, all other terms are defined in the Glossary in Section 17 ("*Glossary*"). Section 16 ("*Transaction Documents*") and Section 17 ("*Glossary*") 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 the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes by Perpetual Trustee Company Limited ABN 42 000 001 007 in its capacity as trustee of the Medallion Trust Series 2019-1 (the "**Series Trust**") (the "**Trustee**"). This Information Memorandum does not relate to, and is not relevant for, any other purpose.

Without limitation, while this Information Memorandum contains information relating to the Class A1-R Notes, the Class A1-R Notes are not being offered for issue, nor are applications for the issue of Class A1-R Notes being invited, by this Information Memorandum.

## 1.3 Summary Only

This Information Memorandum is only a summary of the terms and conditions of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Series Trust and is to assist each recipient to decide whether it will undertake its own further independent investigation of those Notes. This Information Memorandum does not purport to contain all the information a person considering subscribing for or purchasing the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes may require. Accordingly, this Information Memorandum should not be relied upon by intending subscribers or purchasers of the Notes. Intending subscribers or purchasers of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes should review the Transaction Documents which contain the definitive terms relating to the Series Trust and the transactions connected therewith. If there is any inconsistency between this Information Memorandum and the Transaction Documents, the Transaction Documents should be regarded as containing the definitive information.

This Information Memorandum should not be construed as an offer or invitation to any person to subscribe for or buy the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and must not be relied upon by intending subscribers or purchasers of 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 Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes even if this Information Memorandum is circulated in conjunction with such an offer or invitation.

## 1.4 Limited Responsibility for Information

The Manager has prepared and authorised the distribution of this Information Memorandum, has accepted sole responsibility for the information contained in it and to the best of its knowledge and belief the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of Commonwealth Bank of Australia, Citi, Deutsche Bank, Macquarie, Perpetual Trustee Company Limited, the Trustee or P.T. Limited ABN 67 004 454 666 including in its capacity as trustee of the Security Trust (the "**Security Trustee**") 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, none of Perpetual Trustee Company Limited, Citi, Deutsche Bank, Macquarie, the Trustee, P.T. Limited or the Security Trustee has had any involvement in the preparation of any part of this Information Memorandum (other than, in the case of Perpetual Trustee Company Limited and P.T. Limited, where parts of this Information Memorandum contain particular references to Perpetual Trustee Company Limited or P.T. Limited in their corporate capacity). Whilst the Manager believes the statements made in this Information Memorandum are accurate, neither it nor Commonwealth Bank of Australia, Citi, Deutsche Bank, Macquarie, Perpetual Trustee Company Limited, the Trustee, P.T. Limited, the Security Trustee 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.

## 1.5 Date of this Information Memorandum

This Information Memorandum has been prepared as at 5 December 2019 (the "**Preparation Date**"), based on information available and facts and circumstances known to the Manager at that time.

Neither the delivery of this Information Memorandum, nor any offer or issue of any 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 Trust, the Trustee, Commonwealth Bank of Australia, Citi, Deutsche Bank, Macquarie, the Manager or any other party named in this Information Memorandum; or

(b) the information contained in this Information Memorandum is correct at such later time.

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

Neither the Manager, Commonwealth Bank of Australia, Citi, Deutsche Bank, Macquarie nor any other person accepts any responsibility to Noteholders or prospective Noteholders to update this Information Memorandum after the Preparation Date with regard to information or circumstances which come to its attention after the Preparation Date.

## 1.6 Independent Investment Decisions

This Information Memorandum is not intended to be, and does not constitute, a recommendation by the Manager, the Trustee, Perpetual Trustee Company Limited, Commonwealth Bank of Australia, Citi, Deutsche Bank, Macquarie, P.T. Limited or the Security Trustee that any person

subscribe for or purchase any Note. Accordingly, any person contemplating the subscription or purchase of any Note must:

(a) make their own independent investigation of the terms of the Notes (including reviewing the Transaction Documents) and the financial condition, affairs and creditworthiness of the Series Trust, after taking all appropriate advice from qualified professional persons; and

(b) base any investment decision on the investigation and advice referred to in paragraph (a) and not on this Information Memorandum.

### 1.7 Authorised Material

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 Commonwealth Bank of Australia, Citi, Deutsche Bank, Macquarie or the Manager.

### 1.8 Distribution to Professional Investors Only

Prior to the approval of this Information Memorandum by the relevant stock exchange or other competent authority (if required) in connection with any application for listing or admission to trading of the Class A1 Notes and the Class A2 Notes by the Manager, this Information Memorandum will have 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. If the Manager makes an application for any Class A1 Notes and Class A2 Notes to be listed with a stock exchange and admitted to trading and such application is approved, it will no longer be confidential and will be a publicly available document.

### 1.9 Distribution

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

**The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.**

### 1.10 Issue Not Requiring Disclosure to Investors under the Corporations Act

This Information Memorandum is not a "Prospectus" for the purposes of Chapter 6D of the Corporations Act or a "Product Disclosure Statement" for the purposes of Chapter 7 of the Corporations Act and is not required to be lodged with the Australian Securities and Investments Commission under the Corporations Act as 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:

(a) will be for a minimum amount payable (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 if the offer or application (as the case may be) is at least A$500,000 (calculated in accordance with both section 708(9) of the Corporations Act and regulation 7.1.18 of the Corporations Regulations 2001);

(b) is made to a professional investor for the purposes of section 708 of the Corporations Act; or

(c) does not otherwise require disclosure to investors under Part 6D.2 of the Corporations Act and is not made to a Retail Client.

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

(a) does not need disclosure to investors under Part 6D.2 of the Corporations Act;

(b) is not made to a Retail Client; and

(c) complies with any other applicable laws in all jurisdictions in which the offer or invitation is made.

## 1.11 Australian Interest Withholding Tax

Division 11A of Part III of the Australian Tax Act imposes interest withholding tax at a rate of 10% of the gross amount of interest paid on debentures (such as the Notes) to a non-resident of Australia (other than a non-resident holding the debentures in carrying on business at or through a permanent establishment in Australia) or a resident holding the debentures in carrying on business at or through a permanent establishment outside Australia unless an exemption is available. For these purposes, interest is defined in section 128A(1AB) of the Australian Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts.

Under present law, interest paid on the debentures will not be subject to Australian interest withholding tax if they are issued in accordance with certain prescribed conditions set out in section 128F of the Australian Tax Act and they are not acquired directly or indirectly by certain offshore associates of the Trustee or Commonwealth Bank of Australia, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant debt securities, or a clearing house, custodian, funds manager or responsible entity of a registered scheme.

It is intended that the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be offered, and interest will be paid from time to time, in a manner which satisfies the exemption from interest withholding tax contained in section 128F of the Australian Tax Act. Each Dealer has undertaken not to offer a Class A1 Note, a Class A2 Note, a Class B Note, a Class C Note, a Class D Note, a Class E Note or a Class F Note if the Dealer knew, or had reasonable grounds to suspect, that the Note or an interest in the Note was being or would be acquired by such an offshore associate of the Trustee or Commonwealth Bank of Australia.

## 1.12 Disclosure of Interests

Each Dealer discloses that in addition to the arrangements and interests it will or may have with respect to any other party including without limitation the Trustee, the Security Trustee, the Manager, the Seller, the Servicer, the Liquidity Facility Provider, the Redraw Facility Provider

and the Interest Rate Swap Provider (together, the "**Group**") as described in this Information Memorandum (the "**Transaction Document Interests**"), it, its related entities (as such term is defined in the Corporations Act) (the "**Related Entities**"), directors, officers and employees:

(a) may have pecuniary or other interests in the Notes and they may also have interests pursuant to other arrangements; and

(b) will receive fees, brokerage and commissions or other benefits, and may act as principal in any dealing in the Notes,

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

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

(i) each party and each of their Related Entities, directors, officers 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 any member of the Group or any other person, both on the Relevant Entity's own account and for the account of other persons (the "**Other Transaction Interests**");

(ii) each Relevant Entity in the course of its business (whether with respect to the Transaction Document Interests, Note Interests, the Other Transaction Interests or otherwise) may act independently of any other Relevant Entity;

(iii) to the maximum extent permitted by applicable law, the duties of each Relevant Entity in respect of any member of the Group and the Notes are limited to the contractual obligations of the parties to the relevant members of the Group as set out in the Transaction Documents and, in particular, no advisory or fiduciary duty (except in the case of the Trustee in respect of the Series Trust and the Security Trustee in respect of the Security Trust) is owed to any person;

(iv) a Relevant Entity may have or come into possession of information not contained in this Information Memorandum that may be relevant to any decision by a potential investor to acquire the Notes and which may or may not be publicly available to potential investors ("**Relevant Information**");

(v) to the maximum extent permitted by applicable law but subject to the Transaction Documents, no Relevant Entity is under any obligation to disclose any Relevant Information to any member of the Group or to any potential investor and this 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

(vi) each Relevant Entity may have various potential and actual conflicts of interest arising in the course of its business, including in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests. For example, the exercise of rights against a member of the Group arising from the Transaction Document Interests (for example, by a Dealer) or from an Other

Transaction may affect the ability of the Group member to perform its obligations in respect of the Notes. In addition, the existence of a Transaction Document Interest, Note 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 Group or a Noteholder, and the Group or a 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 or the Group, and the Relevant Entities may in so doing act without notice to, and without regard to, the interests of any such person.

## 1.13 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 personal 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 repayments of principal on the Notes.

None of Commonwealth Bank of Australia, Citi, Deutsche Bank, Macquarie, the Manager, the Trustee or the Security Trustee guarantees the success of the Notes issued by the Trustee or the repayment of capital or any particular rate of capital or income return in respect of the investment by Noteholders in the Notes, nor do they make any statement (including, without limitation, any representation) with respect to income tax or other taxation consequences of any subscription, purchase or holding of the Notes or the receipt of any amounts thereunder.

## 1.14 Australian Financial Services Licence of Perpetual Trustee Company Limited

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

## 1.15 European Union Securitisation Due Diligence and Retention Rules

European Union ("**EU**") legislation comprising Regulation (EU) 2017/2402 (as amended, the "**EU Securitisation Regulation**") and certain related regulatory technical standards, implementing technical standards and official guidance (together, the "**EU Due Diligence and Retention Rules**") imposes certain restrictions and obligations with regard to securitisations (as such term is defined for purposes of the EU Securitisation Regulation). The EU Due Diligence and Retention Rules are in force throughout the EU (and the EU Securitisation Regulation is expected also to be implemented in the non-EU member states of the European Economic Area) in respect of securitisations the securities of which were issued (or the securitisation positions of which were created) on or after 1 January 2019.

Commonwealth Bank of Australia (as an "originator", as such term is defined in the EU Securitisation Regulation) will, on the Closing Date and afterwards for so long as any Notes remain outstanding, undertake to the Trustee to retain a material net economic interest in this

securitisation transaction for the purposes of the EU Securitisation Regulation in accordance with Article 6(1) of the EU Securitisation Regulation (as in effect on the Closing Date). As at the Closing Date, such interest will be comprised of an interest in at least 100 randomly selected exposures equivalent (in total) to no less than 5% of the nominal value of the securitised exposures (where such non-securitised exposures would otherwise have been included in this securitisation transaction) in accordance with Article 6(3)(c) of the EU Securitisation Regulation. In addition, Commonwealth Bank of Australia will give certain other undertakings with respect to the EU Due Diligence and Retention Rules, as summarised in Section 3.31 ("*European Union Securitisation Due Diligence and Retention Rules*").

Prospective investors should make their own independent investigation and seek their own independent advice (i) as to the requirements of the EU Due Diligence and Retention Rules (and any implementing rules in relation to a relevant jurisdiction); and (ii) as to the sufficiency of the information described in this Information Memorandum, and which may otherwise be made available to investors, for the purposes of complying with the EU Due Diligence and Retention Rules. None of the Manager, the Trustee, Commonwealth Bank of Australia, Citi, Deutsche Bank, Macquarie or any other party to the Transaction Documents (i) makes any representation that the EU Retention commitment and the information described in this Information Memorandum, or any other information which may be made available to investors, are sufficient in all circumstances for such purposes, (ii) has any liability to any prospective investor or any other person for any insufficiency of such information or any failure of the transactions contemplated in this Information Memorandum to comply with or otherwise satisfy the requirements of the EU Due Diligence and Retention Rules or any other applicable legal, regulatory or other requirements, or (iii) has any obligation to provide any further information or take any other steps that may be required by any investor to enable compliance by that investor with the requirements of the EU Due Diligence and Retention Rules or any other applicable legal, regulatory or other requirements.

See Section 3.31 ("*European Union Securitisation Due Diligence and Retention Rules*") for further details.

## 1.16 Japanese Risk Retention Rules

In line with the final report titled "Global Developments in Securitisation Regulation" published on 16 November 2012 by the Board of the International Organization of Securities Commission (IOSCO) with its recommendations including those for the incentive alignment approach and risk retention requirements, on 30 April 2015 the Financial Services Agency of Japan amended its comprehensive supervisory guidelines for banks, insurance companies and financial instruments business operators (securities companies), respectively, when investing in securitisation products to require them to (i) confirm that an originator of such products will continue to retain part of the risks associated with the securitisation products and (ii), in cases where the originator will not continue to so retain, to make an in-depth analysis as to the status of the originator's involvement in the underlying assets and the quality of such assets.

Based upon the Basel III Document (Revisions to the securitisation framework) published in December 2014 and the Basel III Document (Revisions to the securitisation framework Amended to include the alternative capital treatment for "simple, transparent and comparable") published in July 2016, respectively, by the Basel Committee on Banking Supervision, on 15 March 2019, the Financial Services Agency of Japan published the amendments to its public notices relating to the capital ratio requirements, etc. for certain categories of financial institutions. The new Japanese risk retention rules for securitisation products contained in such amendments became applicable on 31 March 2019. Under the new Japanese risk retention rules, if a Japanese financial institution as investor subject to such rules fails to prove that it is in compliance with a 5% risk retention requirement or a fallback provision, it would face the increased capital charge that is three times higher than that otherwise applied to compliant securitisation exposure.

Commonwealth Bank of Australia, as originator, will retain a material net economic interest of not less than 5% of the securitised exposures as at the Closing Date which interest will be comprised of certain randomly selected exposures held on the balance sheet of Commonwealth Bank of Australia (the "**Retained Pool**"). As at the Closing Date, the Retained Pool will comprise of more than 100 randomly selected exposures and bear similar characteristics to the securitised exposures in accordance with the new Japanese risk retention rules.

Prospective Japanese Affected Investors (as defined Section 3.32 ("*Japanese Risk Retention Rules*") below) should make their own independent investigation and seek their own independent advice (i) as to the scope and applicability of the new Japanese risk retention rules; (ii) as to the sufficiency of the information described in this Information Memorandum and (iii) as to the compliance with the new Japanese risk retention rules in respect of the transactions contemplated by this Information Memorandum. None of the Trustee, Commonwealth Bank of Australia, Citi, Deutsche Bank, Macquarie or any other party to a Transaction Document makes any representation that the information described in this Information Memorandum is sufficient in all circumstances for such purposes.

See Section 3.32 ("*Japanese Risk Retention Rules*") for further details.

## 1.17 Notification under Section 309B(1)(c) of the Securities and Futures Act of Singapore

The Notes are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## 1.18 Prohibition of sales to EEA retail investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a "retail investor" means a person who is one (or more) of: (I) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MIFID II**"); (II) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MIFID II; or (III) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended) (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) (the "**PRIIPS Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

## 1.19 Repo-eligibility

The Manager intends to make an application to the Reserve Bank of Australia ("**RBA**") for the Class A1 Notes and the Class A2 Notes to be "eligible securities" (or "repo eligible") for the purposes of repurchase agreements with the RBA.

The criteria for repo eligibility published by the RBA require, among other things, that certain information be provided by the Manager to the RBA at the time of seeking repo-eligibility and during the term of the Class A1 Notes and the Class A2 Notes in order for the Class A1 Notes and the Class A2 Notes to be (and to continue to be) repo-eligible.

No assurance can be given that the application by the Manager for the Class A1 Notes and the Class A2 Notes to be repo eligible will be successful, or that the Class A1 Notes or the Class

A2 Notes will continue to be repo eligible at all times even if they are eligible at the time they are issued. For example, subsequent changes by the RBA to its criteria could affect whether the Class A1 Notes or the Class A2 Notes continue to be repo-eligible.

If the Class A1 Notes or Class A2 Notes are repo-eligible at any time, Noteholders should be aware that relevant disclosures may be made by the Manager to investors and potential investors in Class A1 Notes and the Class A2 Notes from time to time in such form as determined by the Manager as it sees fit (including for the purpose of complying with the RBA's criteria).

### 1.20 References to Ratings

There are various references in this Information Memorandum to the credit ratings of 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 credit ratings of Notes do not address the expected timing of principal repayments under those Notes. None of the Rating Agencies has been involved in the preparation of this Information Memorandum.

## 2 Summary

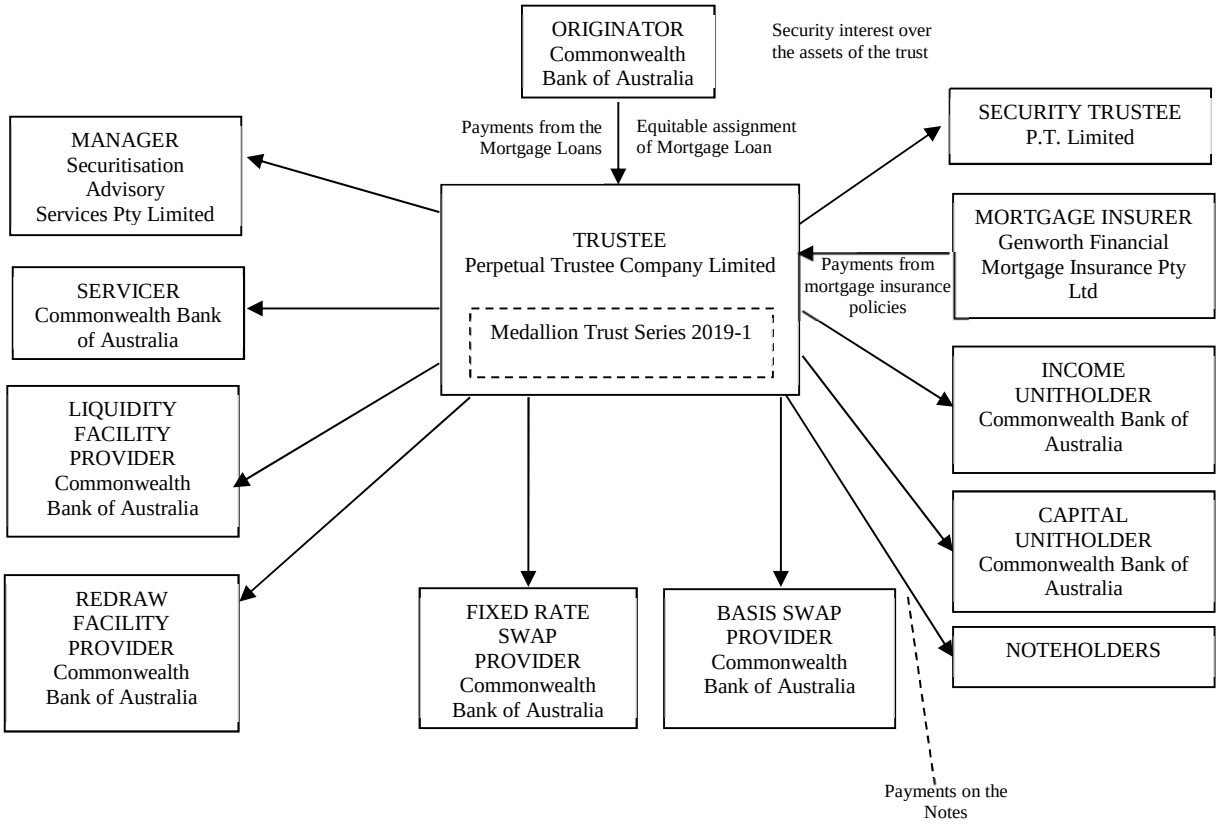
This summary highlights selected information from this document and does not contain all of the information that you need to consider in making your investment decision. This summary contains an overview of some of the concepts and other information to aid your understanding. All of the information contained in this summary is qualified by the more detailed explanations in other parts of this Information Memorandum.

### 2.1 Parties to the Transaction

| | |
|---|---|
| **Trustee:** | Perpetual Trustee Company Limited in its capacity as trustee of the Series Trust |
| **Manager:** | Securitisation Advisory Services Pty Limited, Ground Floor, Darling Park Tower 1, 201 Sussex Street, Sydney, NSW 2000<br>Ph: +612 9118 7214 |
| **Security Trustee:** | P.T. Limited in its capacity as trustee of the Security Trust |
| **Seller:** | Commonwealth Bank of Australia |
| **Servicer:** | Commonwealth Bank of Australia |
| **Income Unitholder:** | Commonwealth Bank of Australia |
| **Capital Unitholder:** | Commonwealth Bank of Australia |
| **Arranger** | Commonwealth Bank of Australia |
| **Lead Manager and Bookrunner:** | Commonwealth Bank of Australia |
| **Co-Manager:** | Citigroup Global Markets Australia Pty Ltd |
| **Co-Manager:** | Deutsche Bank AG, Sydney Branch |
| **Co-Manager** | Macquarie Bank Limited |

| | |
|---|---|
| **Liquidity Facility Provider:** | Commonwealth Bank of Australia |
| **Redraw Facility Provider:** | Commonwealth Bank of Australia |
| **Mortgage Insurer:** | Genworth Financial Mortgage Insurance Pty Limited |
| **Fixed Rate Swap Provider:** | Commonwealth Bank of Australia |
| **Basis Swap Provider:** | Commonwealth Bank of Australia |
| **Rating Agencies:** | S&P Global Ratings Australia Pty Ltd<br>Fitch Australia Pty Ltd |

**Structural Diagram**




## 2.2 Summary of the Notes

The Trustee will issue Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and, in certain circumstances after the Closing Date, Class A1-R Notes (all such notes, the "**Notes**") collateralised by the same pool of Mortgage Loans.

The Notes have not been, and will not be, registered in the United States.

The Class A1-R Notes are not being offered for issue, nor are applications for the issue of the Class A1-R Notes being invited, by this Information Memorandum.

Subject to investor demand and other relevant considerations, Securitisation Advisory Services Pty Limited, as Manager, may make an application for the Class A1 Notes and the Class A2 Notes to be listed and admitted for trading on the Australian Securities Exchange or any other stock exchange after the Closing Date. Such listing approval, if sought by the Manager and obtained, would relate only to the Class A1 Notes and the Class A2 Notes and not to any other Notes. However, there can be no assurance that any such approval will, if sought by the Manager, be obtained. Accordingly, the issuance and settlement of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on the Closing Date is not conditional on the listing of the Class A1 Notes or the Class A2 Notes on the Australian Securities Exchange or any stock exchange or the admission of the Class A1 Notes or the Class A2 Notes to trading on any regulated or unregulated market. The Class A1-R Notes (if issued) may or may not be admitted to listing or

trading on any stock exchange. Perpetual Trustee Company Limited has not made or authorised any application for admission to listing and/or trading of any Class of Notes.

The Trustee may issue Class A1-R Notes on:

(a) the Distribution Date occurring in November 2024 (the "**First Possible Class A1 Refinancing Date**"); or

(b) if the Class A1 Notes are not redeemed on the First Possible Class A1 Refinancing Date, subject to the Manager's discretion, on any subsequent Distribution Date on which Class A1 Notes remain outstanding (each such date, a "**Subsequent Class A1 Refinancing Date**"),

provided, in each case, that the proceeds of such Class A1-R Notes must be sufficient to redeem the Class A1 Notes in full on that Distribution Date and the other conditions set out in Section 8.21 ("*Refinancing of Class A1 Notes with Class A1-R Notes*") are satisfied. The Trustee must use the issue proceeds of those Class A1-R Notes to redeem all of the Class A1 Notes which remain outstanding at that time, as described in Section 8.21 ("*Refinancing of Class A1 Notes with Class A1-R Notes*").

| | **Class A1 Notes** | **Class A2 Notes** | **Class B Notes** | **Class C Notes** |
|---|---|---|---|---|
| Initial Principal Balance | A$1,380,000,000 | A$57,000,000 | A$27,000,000 | A$16,500,000 |
| % of Total | 92.00% | 3.80% | 1.80% | 1.10% |
| Ratings:<br><br>S&P Global Ratings Australia Pty Ltd<br><br>Fitch Australia Pty Ltd | <br><br>AAA(sf)<br><br>AAA(sf) | <br><br>AAA(sf)<br><br>AAA(sf) | <br><br>AA(sf)<br><br>Not rated | <br><br>A(sf)<br><br>Not rated |
| Interest Rate | Compounded AONIA plus 1.25% (up to but excluding the First Possible Class A1 Refinancing Date)<br><br>Compounded AONIA plus 1.25% + 0.25% (on and from the First Possible Class A1 Refinancing Date) | Compounded AONIA plus 1.70% (up to but excluding the Call Date)<br><br>Compounded AONIA plus 1.70% + 0.25% (on and from the Call Date) | Compounded AONIA plus 2.00% (to apply at all times from the Issue Date) | Compounded AONIA plus 2.40% (to apply at all times from the Issue Date) |
| Interest Accrual Method | actual/365 (fixed) | actual/365 (fixed) | actual/365 (fixed) | actual/365 (fixed) |
| Distribution Dates | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date is 21 January 2020. | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day, unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date is 21 January 2020. | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day, unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date is 21 January 2020. | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day, unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date is 21 January 2020. |
| Interest Payable | On each Distribution Date specified above | On each Distribution Date specified above | On each Distribution Date specified above | On each Distribution Date specified above |
| Clearance/Settlement | Austraclear/ Euroclear/Clearstream | Austraclear/ Euroclear/Clearstream | Austraclear/ Euroclear/Clearstream | Austraclear/ Euroclear/Clearstream |
| ISIN | AU3FN0051462 | AU3FN0051470 | AU3FN0051488 | AU3FN0051496 |

| | **Class A1 Notes** | **Class A2 Notes** | **Class B Notes** | **Class C Notes** |
|---|---|---|---|---|
| Issue Date | 5 December 2019 | | | |
| Final Maturity Date | The Distribution Date occurring in January 2052 | | | |

| | **Class D Notes** | **Class E Notes** | **Class F Notes** |
|---|---|---|---|
| Initial Principal Balance | A$7,500,000 | A$6,000,000 | A$6,000,000 |
| % of Total | 0.50% | 0.40% | 0.40% |
| Ratings:<br><br>S&P Global Ratings Australia Pty Ltd<br><br>Fitch Australia Pty Ltd | <br><br>BBB(sf)<br><br>Not rated | <br><br>BB(sf)<br><br>Not rated | <br><br>Not rated<br><br>Not rated |
| Interest Rate | Compounded AONIA plus 3.30% (to apply at all times from the Issue Date) | Compounded AONIA plus 4.50% (to apply at all times from the Issue Date) | Compounded AONIA plus 5.80% (to apply at all times from the Issue Date) |
| Interest Accrual Method | actual /365 (fixed) | actual/365 (fixed) | actual/365 (fixed) |
| Distribution Dates | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date is 21 January 2020. | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day, unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date is 21 January 2020. | 21st day of each calendar month or, if such day is not a Business Day, the next Business Day, unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date is 21 January 2020. |
| Interest Payable | On each Distribution Date specified above | On each Distribution Date specified above | On each Distribution Date specified above |
| Clearance/Settlement | Austraclear/ Euroclear/Clearstream | Austraclear/ Euroclear/Clearstream | Austraclear/ Euroclear/Clearstream |
| ISIN | AU3FN0051504 | AU3FN0051512 | AU3FN0051520 |
| Issue Date | 5 December 2019 | | |
| Final Maturity Date | The Distribution Date occurring in January 2052 | | |

## 2.3 Structural Overview

Commonwealth Bank of Australia established the Medallion Trust Programme pursuant to a master trust deed dated 8 October 1997 between Securitisation Advisory Services Pty Limited, as Manager, and the Trustee as amended from time to time (the "**Master Trust Deed**"). The Master Trust Deed provides the general terms and structure for securitisations under the program. The Series Trust is established under a Notice of Creation of Series Trust issued under the Master Trust Deed. A series supplement between the Trustee, the Manager, Commonwealth Bank of Australia as the Seller and the Servicer (the "**Series Supplement**"), sets out the specific details of the Series Trust, which may vary from the terms set forth in the Master Trust Deed. Each securitisation under the Medallion Trust Programme is a separate transaction with a separate trust. The Assets of the Series Trust will not be available to pay the obligations of any other trust, and the assets of other trusts will not be available to pay the obligations of the Series Trust. See Section 5 ("*Description of the Series Trust*").

The Series Trust involves the securitisation of Mortgage Loans originated by Commonwealth Bank of Australia secured by mortgages on residential property located in Australia. Commonwealth Bank of Australia will equitably assign the Mortgage Loans to the Series Trust, which will in turn issue the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on the Closing Date to fund the acquisition of Mortgage Loans on that date.

The Trustee has granted a security interest over all the Assets of the Series Trust under the Security Trust Deed in favour of P.T. Limited, as Security Trustee, to secure the Series Trust's payment obligations on the Notes and to its other Secured Creditors (the "**Charge**"). The Charge is a security interest over Assets of the Series Trust which are personal property under the Personal Property Securities Act 2009 (Cth) and a floating charge over any other Assets of the Series Trust. The Charge will be enforceable if an Event of Default occurs under the Security Trust Deed. Under the terms of the Security Trust Deed, prior to the occurrence of an Event of Default and certain other specified events, the Trustee may deal with the Assets of the Series Trust in the ordinary course of its business in relation to the Series Trust and in accordance with the Transaction Documents. However, following such events, the Trustee may not deal with the Assets of the Series Trust without the consent of the Security Trustee or as expressly permitted under the Transaction Documents. For a description of the Charge see Section 10.6(b) ("*Nature of the Charge*").

Payments of interest and principal on the Notes will come only from the Mortgage Loans and other Assets of the Series Trust. The assets of the parties to the transaction are not available to meet the payments of interest and principal on the Notes. If there are losses on the Mortgage Loans, the Series Trust may not have sufficient Assets to repay the Notes.

## 2.4 Credit Enhancements

Credit enhancement is intended to enhance the likelihood of full payment of principal and interest due on the Notes and to decrease the likelihood that Noteholders will experience losses. The credit enhancement for the Notes will not provide protection against all risks of loss and will not guarantee repayment of the entire principal balance and accrued interest. If losses occur which exceed the amount covered by any credit enhancement or which are not covered by any credit enhancement, Noteholders will bear their allocated share of losses.

Payments of interest and principal on the Notes will be supported by the following forms of credit enhancement:

(a) **Subordination of interest payments**

Prior to enforcement of the Charge:

(i) the Class F Notes will always be subordinated to the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes;

(ii) the Class E Notes will always be subordinated to the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes;

(iii) the Class D Notes will always be subordinated to the Class C Notes, the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes;

(iv) the Class C Notes will always be subordinated to the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes;

(v) the Class B Notes will always be subordinated to the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes; and

(vi) the Class A2 Notes will always be subordinated to the Class A1 Notes and the Class A1-R Notes (as applicable),

in their respective rights to receive interest payments.

(b) **Subordination of principal repayments**

Prior to enforcement of the Charge:

(i) the Class F Notes will be subordinated to the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes;

(ii) the Class E Notes will be subordinated to the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes;

(iii) the Class D Notes will be subordinated to the Class C Notes, the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes or the Class A1-R Notes;

(iv) the Class C Notes will be subordinated to the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes;

(v) the Class B Notes will be subordinated to the Class A2 Notes and the Class A1 Notes and, as applicable, the Class A1-R Notes; and

(vi) the Class A2 Notes will be subordinated to the Class A1 Notes and the Class A1-R Notes (as applicable),

in their right to receive principal payments on a Distribution Date unless the Step-Down Conditions are satisfied on the immediately preceding Determination Date. If the Step-Down Conditions are satisfied on that date, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be entitled to receive principal payments rateably with the Class A1 Notes or the Class

A1-R Notes (as applicable) as described in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*").

(c) **Subordination of payments following enforcement of the Charge**

Following enforcement of the Charge:

(i) Class F Notes will be fully subordinated to the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes in their right to receive interest payments and principal repayments;

(ii) Class E Notes will be fully subordinated to the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes in their right to receive interest payments and principal repayments;

(iii) Class D Notes will be fully subordinated to the Class C Notes, the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes in their right to receive interest payments and principal repayments;

(iv) Class C Notes will be fully subordinated to the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes in their right to receive interest payments and principal repayments;

(v) the Class B Notes will be fully subordinated to the Class A2 Notes and, applicable, the Class A1 Notes and the Class A1-R Notes in their right to receive interest payments and principal repayments; and

(vi) the Class A2 Notes will be fully subordinated to the Class A1 Notes and the Class A1-R Notes (as applicable) in their right to receive interest payments and principal repayments.

(d) **Allocation of losses**

The Class F Notes will bear all losses on the Mortgage Loans before the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes.

The Class E Notes will bear all losses on the Mortgage Loans before the Class D Notes, the Class C Notes, the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes.

The Class D Notes will bear all losses on the Mortgage Loans before the Class C Notes, the Class B Notes, the Class A2 Notes and, as applicable the Class A1 Notes and the Class A1-R Notes.

The Class C Notes will bear all losses on the Mortgage Loans before the Class B Notes, the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes.

The Class B Notes will bear all losses on the Mortgage Loans before the Class A2 Notes and, as applicable, the Class A1 Notes and the Class A1-R Notes.

The Class A2 Notes will bear all losses on the Mortgage Loans before the Class A1 Notes and the Class A1-R Notes (as applicable).

The support provided by the relevant subordinated Classes of Notes is intended to enhance the likelihood that the Class A1 Notes, the Class A1-R Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (as applicable) will receive expected payments of interest and expected repayments of principal. The following chart describes the initial support provided by the relevant Classes of Notes:

| **Class** | **Credit Support ("Credit Support Notes")** | **Initial Support Percentage** |
|---|---|---|
| Class A1 Notes | Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes | 8.00% |
| Class A2 Notes | Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes | 4.20% |
| Class B Notes | Class C Notes, Class D Notes, Class E Notes and Class F Notes | 2.40% |
| Class C Notes | Class D Notes, Class E Notes and Class F Notes | 1.30% |
| Class D Notes | Class E Notes and Class F Notes | 0.80% |
| Class E Notes | Class F Notes | 0.40% |

The Initial Support Percentage in the above table is the initial aggregate Invested Amount of the relevant Credit Support Notes, as a percentage of the aggregate Invested Amount of all Notes to be issued on the Closing Date.

(e) **Mortgage Insurance Policies**

A High LTV master mortgage insurance policy issued by Genworth Financial Mortgage Insurance Pty Limited will provide full coverage for all principal due on certain of the Mortgage Loans which are generally those which had a loan to value ratio greater than 80% at the time of origination. Some Mortgage Loans which had a loan to value ratio greater than 80% at the time of origination may not be covered by any mortgage insurance policy, but the Seller may charge the borrower a low deposit premium. Mortgage Loans with a loan to value ratio less than or equal to 80% at the time of origination may not be covered by an individual or pool mortgage insurance policy, and will not be covered by a High LTV master mortgage insurance policy issued by Genworth Financial Mortgage Insurance Pty Limited.

(f) **Excess Available Income**

Any interest collections on the Mortgage Loans and Other Income Amounts of the Series Trust remaining after payments of:

(i) Class A1 Note interest, Class A1-R Note interest, Class A2 Note interest and the Class B Senior Interest Amount, the Class C Senior Interest Amount, the

Class D Senior Interest Amount, the Class E Senior Interest Amount and the Class F Senior Interest Amount;

(ii) the Series Trust's expenses; and

(iii) the reimbursement of any unreimbursed Principal Draws,

will be available to cover any losses on the Mortgage Loans that are not covered by a Mortgage Insurance Policy.

## 2.5 Liquidity Enhancement

Payments of interest on the Notes will be supported by the following forms of liquidity enhancements.

(a) **Principal Draws**

To cover possible liquidity shortfalls in the payments of Class A1 Note interest, Class A1-R Note interest, Class A2 Note interest, the Class B Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class B Notes), the Class C Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class C Notes), the Class D Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class D Notes), the Class E Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class E Notes) and the Class F Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class F Notes) and the other senior expenses of the Series Trust, the Manager will direct the Trustee to allocate available Principal Collections on the Mortgage Loans and other principal receipts of the Series Trust towards meeting the additional shortfall as described in Section 8.6 ("*Principal Draw*") and Section 10.7 ("*Principal Draws*").

(b) **Liquidity Facility**

To cover possible liquidity shortfalls in the payments of Class A1 Note interest, Class A1-R Note interest, Class A2 Note interest, the Class B Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class B Notes), the Class C Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class C Notes), the Class D Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class D Notes), the Class E Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class E Notes) and the Class F Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class F Notes) and the other senior expenses of the Series Trust where Principal Draws have been exhausted, the Trustee will, in certain circumstances, be able to borrow funds under a Liquidity Facility to be provided by Commonwealth Bank of Australia as described in Section 8.7 ("*Liquidity Facility Advance*") and Section 10.8 ("*The Liquidity Facility*").

## 2.6 Redraws and Further Advances

(a) **Use of collections to fund redraws and certain further advances**

Under the terms of each variable rate Mortgage Loan, a borrower may, subject to certain conditions, redraw previously prepaid principal. A borrower may redraw an amount equal to the difference between the scheduled principal balance, being its principal balance if no amount had been prepaid, of his or her loan and the current principal balance of the loan. Commonwealth Bank of Australia may also agree to make further advances to a borrower in excess of the scheduled principal balance of his or

her loan. The Trustee will reimburse Commonwealth Bank of Australia for redraws, and for any further advances which exceed the scheduled principal balance of a Mortgage Loan by no more than one scheduled monthly instalment on the Mortgage Loan, that it advances to borrowers by applying available collections. For so long as Commonwealth Bank of Australia is also the Servicer, Commonwealth Bank of Australia may also apply available collections then held by it in reimbursement of redraws, and any further advances for which it is permitted to be reimbursed by the Trustee (as described above), that it has funded before depositing collections into the Collections Account of the Series Trust. In each case, collections may only be used to fund redraws and any further advances described above if the Manager confirms to the Trustee that it is satisfied on a reasonable basis that the Principal Collections for the Collection Period in which those redraws or further advances are to be so funded will exceed the aggregate of: (i) the amount of that reimbursement; (ii) any other reimbursement of redraws or further advances described above made in this manner during that same Collection Period; and (iii) any Principal Draw anticipated by the Manager to be required on the Determination Date immediately following that Collection Period. To the extent that any such redraws and further advances remain unreimbursed as at the next Distribution Date following the Collection Period in which the redraw or further advance is made, the Seller will be entitled to be reimbursed from Principal Collections in the order specified in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*").

A consequence of the use of collections to fund redraws and further advances as described above will be to reduce the Principal Collections available to pay principal on the Notes on the next Distribution Date. However, the Series Trust will have a corresponding greater amount of Assets with which to make future payments.

Where Commonwealth Bank of Australia makes further advances which exceed the scheduled principal balance of a Mortgage Loan by more than one scheduled monthly instalment, then Commonwealth Bank of Australia must repurchase the loan from the pool. See Sections 7 ("*Commonwealth Bank of Australia Residential Loan Program"*) and 8.16 ("*Redraws and Further Advances"*).

(b) **Redraw Facility**

To cover any redraws and further advances made to borrowers under the Mortgage Loans as described in Section 8.16 ("*Redraws and Further Advances"*) which cannot be fully reimbursed from collections as described in the immediately preceding paragraphs, due to there being insufficient collections to fund that reimbursement, the Trustee will in certain circumstances, be able to borrow funds under a Redraw Facility to be provided by Commonwealth Bank of Australia as described in Section 10.9 ("*The Redraw Facility*").

## 2.7 Extraordinary Expense Reserve

To assist in meeting Extraordinary Expenses that may be incurred in relation to the Series Trust, the Seller has agreed to lend to the Trustee an amount equal to the Extraordinary Expense Reserve Required Amount on the Closing Date and the Trustee has agreed (at the direction of the Manager) to deposit that amount received from the Seller into the Collections Account as a sub-ledger known as the "**Extraordinary Expense Reserve**".

If, on any Determination Date, the Manager determines that there are any Extraordinary Expenses in respect of the Accrual Period ending on the immediately following Distribution Date, then the Manager must direct the Trustee to (and on such direction the Trustee must) withdraw an amount equal to the lesser of:

(a) the amount of such Extraordinary Expenses on that day; and

(b) the balance of the Extraordinary Expense Reserve on that day,

from the Extraordinary Expense Reserve on the immediately following Distribution Date ("**Extraordinary Expense Reserve Draw**") and apply such amount towards payment or reimbursement of those Extraordinary Expenses in accordance with Section 8.9 ("*Payment of the Available Income Amount on a Distribution Date*").

In addition to making Extraordinary Expense Reserve Draws on a Distribution Date as described above, amounts will only be released from the Extraordinary Expense Reserve to repay the Seller in the circumstances described in Section 8.8 ("*Extraordinary Expense Reserve*").

For further details on the Extraordinary Expense Reserve, see Section 8.8 ("*Extraordinary Expense Reserve*").

## 2.8 Hedging Arrangements

The Trustee has entered into swaps to hedge the following risks:

(a) the basis risk between the interest rate on the Mortgage Loans which accrue interest at a discretionary variable rate of interest and floating rate obligations of the Series Trust in respect of payments on the Notes; and

(b) the basis risk between the interest rate on the Mortgage Loans which accrue interest at a fixed rate of interest and floating rate obligations of the Series Trust in respect of payments on the Notes.

## 2.9 Optional Redemption

The Trustee will, if the Manager directs it to do so, at the Manager's option, redeem all (but not some) of the outstanding Notes at their then Invested Amounts, subject to the following paragraph, together with accrued but unpaid interest to, but excluding the date of redemption, on any Distribution Date occurring on or after the Call Date (see Section 8.22 ("*Optional Redemption of the Notes – on or after the Call Date"*)).

If the Trustee is to redeem all the Notes on any relevant Distribution Date as described above, it may do so by redeeming each Class of Notes at their Stated Amounts instead of at their Invested Amounts, together with accrued but unpaid interest to but excluding the date of redemption, if so approved by an Extraordinary Resolution of the Noteholders of the relevant Class. The Trustee will not and the Manager will not direct the Trustee to redeem the Notes unless the Trustee will be in a position on the relevant Distribution Date to repay the then Invested Amounts or the Stated Amounts, as required, of the Notes together with all accrued but unpaid interest on the Notes to but excluding the date of redemption and to discharge all its liabilities in respect of amounts which are required to be paid in priority to or equally with the Notes as set out in Sections 8.9 ("*Payment of the Available Income Amount on a Distribution Date*") and 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*").

## 2.10 The Mortgage Loan Pool

The Mortgage Loan pool will consist of fixed rate and variable rate residential Mortgage Loans secured by mortgages on owner occupied and non-owner occupied residential properties. The Mortgage Loans will have terms to stated maturity as of the Cut-Off Date of no more than 30 years. Commonwealth Bank of Australia expects the pool of Mortgage Loans to have characteristics similar to the following:

Selected Mortgage Loan Pool Data as of the commencement of business on 18 November 2019.

| | |
|---|---|
| Number of Mortgage Loans | 4,883 |
| Mortgage Loan Pool Size | A$1,499,999,483 |
| Average Mortgage Loan Balance | A$307,188 |
| Maximum Mortgage Loan Balance | A$991,100 |
| Minimum Mortgage Loan Balance | A$50,032 |
| Total Security Valuations | A$3,097,876,173 |
| Maximum Remaining Term to Maturity in Months | 346 |
| Maximum Current Loan-to-Value Ratio | 94.89% |
| Weighted Average Seasoning in Months | 44 |
| Weighted Average Remaining Term to Maturity in Months | 305 |
| Weighted Average Original Loan-to-Value Ratio | 69.55% |
| Weighted Average Current Loan-to-Value Ratio | 59.52% |
| Weighted Average Mortgage Rate | 3.75% |

The original loan-to-value ratio of a Mortgage Loan is calculated by comparing the initial principal amount of the Mortgage Loan to the valuation of the property that is currently securing the Mortgage Loan at the time the Mortgage Loan was originated unless the property has been revaluated in the limited circumstances described below. There will be no revaluation of the properties specifically for the purposes of the issue of the Notes. Revaluations are only conducted in circumstances where a borrower under a Mortgage Loan seeks additional funding, or seeks to partially discharge an existing security, or where a borrower is in default and Commonwealth Bank of Australia is considering enforcement action. Thus, if collateral has been released from the mortgage securing a Mortgage Loan or if the property securing the Mortgage Loan has reduced in value, the original loan-to-value ratio at the Cut-Off Date may not reflect the loan-to-value ratio at the origination of that Mortgage Loan.

Before the issuance of the Notes, Mortgage Loans may be added to or removed from the Mortgage Loan pool. This addition or removal of Mortgage Loans may result in changes in the Mortgage Loan pool characteristics shown in the preceding table and could affect the weighted average lives and yields of the Notes.

Commonwealth Bank of Australia will select Mortgage Loans from its pool of eligible loans based on its selection criteria.

Mortgage Loans will be selected from Commonwealth Bank of Australia's general portfolio consistent with the representations and warranties set out in Section 6.5 (*"Representations, Warranties and Eligibility Criteria"*).

If a Mortgage Loan acquired by the Trustee is not an eligible loan, the Trustee's rights against Commonwealth Bank of Australia in respect of that non-compliance will be as set out in Section 6.6 ("*Breach of Representations and Warranties*").

## 2.11 Collections

The Trustee will receive for each Collection Period amounts, which are known as collections, which include:

(a) payments of interest, principal, fees and other amounts under the Mortgage Loans, excluding any insurance premiums and related charges payable to Commonwealth Bank of Australia;

(b) proceeds from the enforcement of the Mortgage Loans and mortgages and other securities relating to those Mortgage Loans;

(c) amounts received under Mortgage Insurance Policies;

(d) amounts received from Commonwealth Bank of Australia, either as Seller or Servicer, for breaches of representations or undertakings; and

(e) interest on amounts in the Collections Account (including the Extraordinary Expense Reserve), other than certain excluded amounts, and income received on Authorised Short-Term Investments of the Series Trust.

Collections will be allocated between income and principal. Collections attributable to interest, plus some other amounts, are known as the Available Income Amount (see Section 8.5 ("*Determination of the Available Income Amount*"). The collections attributable to principal, plus some other amounts, are known as the Available Principal Amount (see Section 8.11 ("*Determination of the Available Principal Amount*")).

The Available Income Amount is used to pay or provide for certain fees and expenses of the Series Trust and interest on the Notes. The Available Principal Amount is used to pay, among other things, principal on the Notes. If there is an excess of Available Income Amount on a Distribution Date after the payment of such fees and expenses and the Class A1 Aggregate Interest Amount, the Class A1-R Aggregate Interest Amount, the Class A2 Aggregate Interest Amount, the Class B Senior Interest Amount, the Class C Senior Interest Amount, the Class D Senior Interest Amount, the Class E Senior Interest Amount and the Class F Senior Interest Amount, the excess income will be used to:

(a) first, reimburse any Principal Draws;

(b) next, reduce any Principal Chargeoffs on the Notes in the order described in Section 8.17(b) ("*Principal Chargeoffs*");

(c) next, allocate amounts to the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve reaches the Extraordinary Expense Reserve Required Amount;

(d) next, pay any residual interest amount in respect of the Class B Notes;

(e) next, pay any residual interest amount in respect of the Class C Notes;

(f) next, pay any residual interest amount in respect of the Class D Notes;

(g) next, pay any residual interest amount in respect of the Class E Notes;

(h) next, pay any residual interest amount in respect of the Class F Notes;

(i) next, pay any subordinated amounts owing under the Liquidity Facility Agreement or the Redraw Facility Agreement; and

(j) next, pay any Subordinated Termination Payments owing under the Interest Rate Swap Agreement.

Any remaining excess will be used to pay the Manager's arranging fee, with the balance distributed to the Income Unitholder.

## 2.12 Interest on the Notes

Interest on the Notes is payable monthly in arrears on each Distribution Date.

On each Distribution Date, the Available Income Amount will be allocated in or towards payment of interest on the Notes in the order of priority set out in Section 8.9 (*"Payment of Available Income Amount on a Distribution Date"*).

Within that order of priority, on each Distribution Date:

(a) (**Class A1/A1-R Note interest**):

(i) if the Distribution Date occurs on or prior to the Class A1-R Issue Date, the Class A1 Aggregate Interest Amount will be payable by the Trustee to the Class A1 Noteholders (pari passu and rateably); and

(ii) if the Distribution Date occurs after the Class A1-R Issue Date, the Class A1-R Aggregate Interest Amount will be payable by the Trustee to the Class A1-R Noteholders (pari passu and rateably);

(b) (**Class A2 Note interest**) the interest due on the Class A2 Notes will be payable by the Trustee to the Class A2 Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the interest due on the Class A1 Notes and the interest due on the Class A1-R Notes to the Class A1 Noteholders and the Class A1-R Noteholders (as applicable);

(c) (**Class B Note interest**) the senior interest amount due on the Class B Notes will be payable by the Trustee to the Class B Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the interest due on the Class A1 Notes, the interest due on the Class A1-R Notes and the interest due on the Class A2 Notes to the Class A1 Noteholders, the Class A1-R Noteholders and the Class A2 Noteholders (as applicable) and the residual interest amount (if any) due on the Class B Notes will be payable by the Trustee to the Class B Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the senior interest amount due on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes;

(d) (**Class C Note interest**) the senior interest amount due on the Class C Notes will be payable by the Trustee to the Class C Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the interest due on the Class A1 Notes, the interest due on the Class A1-R Notes and the interest due on the Class A2 Notes and the senior interest amount due on the Class B Notes to the Class A1 Noteholders, the Class A1-R Noteholders, the Class A2 Noteholders and the Class B Noteholders (as applicable) and the residual interest amount (if any) due on the Class C Notes will be payable by the Trustee to the Class C Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the senior interest amount due on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and the residual interest amount (if any) due on the Class B Notes;

(e) (**Class D Note interest**) the senior interest amount due on the Class D Notes will be payable by the Trustee to the Class D Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the interest due on the Class A1 Notes, the interest due on the Class A1-R Notes, the interest due on the Class A2 Notes, the senior interest amount due on the Class B Notes and the senior interest amount due on the Class C Notes to the Class A1 Noteholders, the Class A1-R Noteholders, the Class A2 Noteholders, the Class B Noteholders and the Class C Noteholders (as applicable) and the residual interest amount (if any) due on the Class D Notes will be payable by the

Trustee to the Class D Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the senior interest amount due on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and the residual interest amount (if any) due on the Class B Notes and the Class C Notes;

(f) (**Class E Note interest**) the senior interest amount due on the Class E Notes will be payable by the Trustee to the Class E Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the interest due on the Class A1 Notes, the interest due on the Class A1-R Notes, the interest due on the Class A2 Notes, the senior interest amount due on the Class B Notes, the senior interest amount due on the Class C Notes and the senior interest amount due on the Class D Notes to the Class A1 Noteholders, the Class A1-R Noteholders, the Class A2 Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders (as applicable) and the residual interest amount (if any) due on the Class E Notes will be payable by the Trustee to the Class E Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the senior interest amount due on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and the residual interest amount (if any) due on the Class B Notes, the Class C Notes and the Class D Notes; and

(g) (**Class F Note interest**) the senior interest amount due on the Class F Notes will be payable by the Trustee to the Class F Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the senior interest amount due on the Class A1 Notes, the interest due on the Class A1-R Notes, the interest due on the Class A2 Notes, the senior interest amount due on the Class B Notes, the senior interest due on the Class C Notes, the senior interest amount due on the Class D Notes and the senior interest amount due on the Class E Notes, to the Class A1 Noteholders, the Class A1-R Noteholders, the Class A2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (as applicable) and the residual interest amount (if any) due on the Class F Notes will be payable by the Trustee to the Class F Noteholders (pari passu and rateably) only if there are sufficient funds available to pay the senior interest amount due on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and the residual interest amount (if any) due on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

The senior interest amount for the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on a Distribution Date will comprise all interest due on the relevant Class of Notes, unless on the relevant Distribution Date: (i) the Stated Amount of that Class of Notes is zero or has ever been reduced to zero (in which case the senior interest amount for that Class of Notes on that Distribution Date will be zero); or (ii) the Call Date has occurred prior to that Distribution Date (in which case the senior interest amount for that Class of Notes on that Distribution Date will be a proportion of accrued interest on that Class of Notes calculated by reference to the Step-Down Interest Rate). The residual interest amount for the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on a Distribution Date will comprise all interest due on the relevant Class of Notes other than the senior interest amount for that Distribution Date. See Section 8.9 (*"Payment of Available Income Amount on a Distribution Date"*) for further details.

Interest on the Notes is calculated for each Accrual Period in respect of those Notes as the product of:

(a) the Invested Amount of that Note as of the first day of that Accrual Period, after giving effect to any payments of principal made with respect to such Note on such day;

(b) the interest rate for such Note for that Accrual Period; and

(c) a fraction on the numerator of which is the actual number of days in that Accrual Period and the denominator of which is 365 days.

The interest rate for each Class A1 Note, Class A2 Note, Class B Note, Class C Note, Class D Note, Class E Note and Class F Note for an Accrual Period will be Compounded AONIA in respect of the relevant Accrual Period plus the applicable margin for that Note.

The interest rate for each Class A1-R Note (if issued) will be the relevant Benchmark Rate for the Class A1-R Notes (determined in accordance with Sections 8.20 ("*Optional redemption of the Class A1 Notes on or after the First Possible Class A1 Refinancing Date*") and 8.21 ("*Refinancing of Class A1 Notes with Class A1-R Notes*")) plus the applicable margin for that Class A1-R Note.

See Section 8.10 ("*Interest on the Notes*") for further details.

## 2.13 Principal on the Notes

On each Distribution Date, the Available Principal Amount will be allocated to repay principal on the Notes and certain other amounts in the order of priority set out in Section 8.12 (*"Payment of Available Principal Amount on a Distribution Date"*).

On each Distribution Date, after application towards any Principal Draws, repayment of the Redraw Facility Provider of the Redraw Facility Principal Outstanding and repayment of any Seller Advances remaining unreimbursed, the Available Principal Amount will be applied between the Notes as follows:

(a) (**Class A1/A1-R Note principal**) first:

(i) if the relevant Distribution Date occurs on or prior to the Class A1-R Issue Date, repayments of principal will be payable by the Trustee to the Class A1 Noteholders until the Invested Amount of the Class A1 Notes is reduced to zero; and

(ii) if the relevant Distribution Date occurs after the Class A1-R Issue Date, repayments of principal will be payable by the Trustee to the Class A1-R Noteholders until the Invested Amount of the Class A1-R Notes is reduced to zero;

(b) (**Class A2 Note principal**) next, if the Invested Amount of the Class A1 Notes and the Class A1-R Notes has been reduced to zero, repayments of principal will be payable by the Trustee to the Class A2 Noteholders until the Invested Amount of the Class A2 Notes is reduced to zero;

(c) (**Class B Note principal**) next, if the Invested Amount of the Class A1 Notes, the Class A1-R Notes and the Class A2 Notes has been reduced to zero, repayments of principal will be payable by the Trustee to the Class B Noteholders until the Invested Amount of the Class B Notes is reduced to zero;

(d) (**Class C Note principal**) next, if the Invested Amount of the Class A1 Notes, the Class A1-R Notes, the Class A2 Notes and the Class B Notes has been reduced to zero, repayments of principal will be payable by the Trustee to the Class C Noteholders until the Invested Amount of the Class C Notes is reduced to zero;

(e) (**Class D Note principal**) next, if the Invested Amount of the Class A1 Notes, the Class A1-R Notes, the Class A2 Notes, the Class B Notes and the Class C Notes has been

reduced to zero, repayments of principal will be payable by the Trustee to the Class D Noteholders until the Invested Amount of the Class D Notes is reduced to zero;

(f) (**Class E Note principal**) next, if the Invested Amount of the Class A1 Notes, the Class A1-R Notes, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes has been reduced to zero, repayments of principal will be payable by the Trustee to the Class E Noteholders until the Invested Amount of the Class E Notes is reduced to zero; and

(g) (**Class F Note principal**) next, if the Invested Amount the Class A1 Notes, the Class A1-R Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes has been reduced to zero, repayments of principal will be payable by the Trustee to the Class F Noteholders until the Invested Amount of the Class F Notes is reduced to zero.

A principal repayment or allocation described under any of paragraphs (b) to (g) above will only be made if and to the extent that there are sufficient funds available to make the principal repayments described in the paragraphs which precede it.

However, if the Step-Down Conditions are satisfied on the relevant Determination Date, the Class A2 Notes the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will receive principal payments pari passu and rateably with the Class A1 Notes and the Class A1-R Notes. See Section 8.13 ("*Step-Down Conditions*") for more information.

On each Distribution Date, the outstanding principal balance of each Note will be reduced by the amount of the principal payment made on that date on that Note.

The Stated Amount of each Note will be reduced by the amount of Principal Chargeoffs on the Mortgage Loans allocated to that Note in the following order:

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

(b) (**Class E Notes**) next, once the Stated Amount of the Class F Notes has been reduced to zero, pari passu and rateably in reduction of the Stated Amount of the Class E Notes until the Stated Amount of the Class E Notes is reduced to zero;

(c) (**Class D Notes**) next, once the Stated Amount of the Class E Notes has been reduced to zero, pari passu and rateably in reduction of the Stated Amount of the Class D Notes until the Stated Amount of the Class D Notes is reduced to zero;

(d) (**Class C Notes**) next, once the Stated Amount of the Class D Notes has been reduced to zero, pari passu and rateably in reduction of the Stated Amount of the Class C Notes until the Stated Amount of the Class C Notes is reduced to zero;

(e) (**Class B Notes**) next, once the Stated Amount of the Class C Notes has been reduced to zero, pari passu and rateably in reduction of the Stated Amount of the Class B Notes until the Stated Amount of the Class B Notes is reduced to zero;

(f) (**Class A2 Notes**) next, once the Stated Amount of the Class B Notes has been reduced to zero, pari passu and rateably in reduction of the Stated Amount of the Class A2 Notes until the Stated Amount of the Class A2 Notes is reduced to zero; and

(g) (**Class A1/A1-R Notes**) next once the Stated Amount of the Class A2 Notes has been reduced to zero, pari passu and rateably in reduction of the Stated Amount of the Class

A1 Notes and the Class A1-R Notes until the Stated Amount of the Class A1 Notes and the Class A1-R Notes is reduced to zero.

If an Event of Default occurs and the Charge is enforced, the proceeds from the enforcement will be distributed in the order of priority set out in Section 10.6(k) ("*Priorities under the Security Trust Deed*").

## 2.14 Allocation of Cash Flows

On each Distribution Date the Trustee will allocate interest and principal to each Noteholder to the extent of the Available Income Amount and Available Principal Amount on that Distribution Date available to be applied for these purposes, based on determinations made by the Manager as at the Determination Date immediately prior to that Distribution Date. The charts on the succeeding pages summarise the flow of payments. Refer to Section 8.9 (*"Payment of Available Income Amount on a Distribution Date"*) and Section 8.12 (*"Payment of Available Principal Amount on a Distribution Date"*) for the detailed cash flow allocation methodology for Distribution Dates.

**Determination of Available Income Amount in relation to each Distribution Date**

**Finance Charge Collections**

Amounts received by the Trustee during the preceding Collection Period under the Mortgage Loans in respect of interest, fees and certain other charges.

+

**Mortgage Insurance Income Proceeds**

Amounts received pursuant to a Mortgage Insurance Policy which the Manager determines should be accounted for in respect of a finance charge loss.

+

**Extraordinary Expense Reserve Draw**

Any Extraordinary Expense Reserve Draw to be made on that Distribution Date.

+

**Net amounts under Interest Rate Swap Agreements**

Net amounts receivable by the Trustee under any Interest Rate Swap Agreement on that Distribution Date (other than any Interest Rate Swap Provider Deposit or other swap collateral).

+

**Amounts under Support Facilities**

Other amounts receivable by the Trustee from a Support Facility Provider under a Support Facility (other than an Interest Rate Swap Agreement, the Liquidity Facility Agreement or the Redraw Facility Agreement) on or prior to that Distribution Date which the Manager determines should be accounted for as income.

+

**Other Income Amounts**

Certain other amounts and certain other receipts in the nature of income (as determined by the Manager) received by the Trustee during the preceding Collection Period or which are otherwise deemed to constitute Other Income Amounts in relation to that Distribution Date.

+

**Principal Draw**

Any amount of the Available Principal Amount to be allocated to the Available Income Amount as a Principal Draw on that Distribution Date.

+

**Liquidity Facility Advance**

Any advance to be made under the Liquidity Facility on that Distribution Date.

=

**Available Income Amount**

**Payment of Available Income Amount on a Distribution Date**

At the Manager's discretion, pay $1 to the Income Unitholder to be dealt with, and held by, the Income Unitholder absolutely.

↓

Pay any Accrued Interest Adjustment owing to Commonwealth Bank of Australia.

↓

Pay or make provision for taxes of the Trust, if any.

↓

Pay to the Trustee its monthly fee.

↓

Pay to the Security Trustee its monthly fee.

↓

Pay to the Manager its monthly management fee.

↓

Pay to the Servicer its monthly fee.

↓

Pari passu and rateably:

- pay to the Liquidity Facility Provider the Liquidity Facility Commitment Fee due on that Distribution Date; and
- pay to the Redraw Facility Provider the Redraw Facility Commitment Fee due on that Distribution Date.

↓

Pari passu and rateably:

- pay any net amounts due to the Interest Rate Swap Provider under the Interest Rate Swap Agreement on that Distribution Date other than any Subordinated Termination Payment; and
- pay the Liquidity Facility Interest (if any) due on that Distribution Date plus any Liquidity Facility Interest remaining unpaid from prior Distribution Dates; and
- pay the Redraw Facility Interest (if any) due on that Distribution Date plus any Redraw Facility Interest remaining unpaid from prior Distribution Dates.

↓

Pay all expenses due in the relevant Accrual Period other than those referred to elsewhere in this diagram.

↓

Pay any outstanding Liquidity Facility Advance made on or prior to the previous Distribution Date to the Liquidity Facility Provider.

↓

- If the Distribution Date occurs on or prior to the Class A1-R Issue Date, pay to the Class A1 Noteholders (pari passu and rateably) the interest due on the Class A1 Notes for that Distribution Date together with any unpaid interest in relation to the Class A1 Notes for previous Distribution Dates.
- If the Distribution Date occurs after the Class A1-R Issue Date, pay to the Class A1-R Noteholders, the interest due on the Class A1-R Notes for that Distribution Date together with any unpaid interest in relation to the Class A1-R Notes for previous Distribution Dates.

↓

Pay to the Class A2 Noteholders (pari passu and rateably) the interest due on the Class A2 Notes for that Distribution Date together with any unpaid interest in relation to the Class A2 Notes for previous Distribution Dates.

↓

Pay to the Class B Noteholders (pari passu and rateably) the senior interest amount due on the Class B Notes for that Distribution Date together with any unpaid senior interest amounts in relation to the Class B Notes for previous Distribution Dates.

↓

Pay to the Class C Noteholders (pari passu and rateably) the senior interest amount due on the Class C Notes for that Distribution Date together with any unpaid senior interest amounts in relation to the Class C Notes for previous Distribution Dates.

↓

Pay to the Class D Noteholders (pari passu and rateably) the senior interest amount due on the Class D Notes for that Distribution Date together with any unpaid senior interest amounts in relation to the Class D Notes for previous Distribution Dates.

↓

Pay to the Class E Noteholders (pari passu and rateably) the senior interest amount due on the Class E Notes for that Distribution Date together with any unpaid senior interest amounts in relation to the Class E Notes for previous Distribution Dates.

↓

Pay to the Class F Noteholders (pari passu and rateably) the senior interest amount due on the Class F Notes for that Distribution Date together with any unpaid senior interest amounts in relation to the Class F Notes for previous Distribution Dates.

↓

Allocate the amount of any unreimbursed Principal Draws to the Available Principal Amount for payment on that Distribution Date.

↓

Allocate the amount of any unreimbursed Principal Chargeoffs to the Available Principal Amount for payment on that Distribution Date.

↓

Allocate an amount to the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve is equal to the Extraordinary Expense Reserve Required Amount.

↓

Pay to the Class B Noteholders (pari passu and rateably) the residual interest amount due on the Class B Notes for that Distribution Date together with any unpaid residual interest amounts in relation to the Class B Notes for previous Distribution Dates.

↓

Pay to the Class C Noteholders (pari passu and rateably) the residual interest amount due on the Class C Notes for that Distribution Date together with any unpaid residual interest amounts in relation to the Class C Notes for previous Distribution Dates.

↓

Pay to the Class D Noteholders (pari passu and rateably) the residual interest amount due on the Class D Notes for that Distribution Date together with any unpaid residual interest in amounts relation to the Class D Notes for previous Distribution Dates.

↓

Pay to the Class E Noteholders (pari passu and rateably) the residual interest amount due on the Class E Notes for that Distribution Date together with any unpaid residual interest amount in relation to the Class E Notes for previous Distribution Dates.

↓

Pay to the Class F Noteholders (pari passu and rateably) the residual interest amount due on the Class F Notes for that Distribution Date together with any unpaid residual interest amounts in relation to the Class F Notes for previous Distribution Dates.

↓

Pari passu and rateably:

- pay to the Liquidity Facility Provider any other amounts owing under the Liquidity Facility Agreement; and
- pay to the Redraw Facility Provider any other amounts owing under the Redraw Facility Agreement.

↓

Pay pari passu and rateably any Subordinated Termination Payments payable to the Interest Rate Swap Provider in accordance with the Interest Rate Swap Agreement.

↓

Pay to the Manager its arranging fee and any unpaid arranging fee from prior Distribution Dates.

↓

Pay any remaining amounts to the Income Unitholder.

**Determination of Available Principal Amount in relation to each Distribution Date**

| **Principal Collections** |
| --- |
| Amounts received by the Trustee during the preceding Collection Period under the Mortgage Loans in respect of principal other than as described below (and which have not been applied during the preceding Collection Period to reimburse the Seller for Seller Advances). |

+

| **Other Principal Amounts** |
| --- |
| Prepayments of principal on the Mortgage Loans received by the Trustee during the preceding Collection Period including any amount in connection with the liquidation of such Mortgage Loan, amounts received pursuant to a Mortgage Insurance Policy which the Manager determines should be accounted for on the preceding Determination Date in respect of a principal loss, any amount rounded down on payments of principal on the previous Distribution Date, certain other amounts received by the Trustee during the preceding Collection Period or which are otherwise deemed to constitute Other Principal Amounts in relation to that Distribution Date, certain other receipts in the nature of principal (as determined by the Manager) received by the preceding Determination Date, for the first Distribution Date, the amount, if any, by which the proceeds of issue of the Notes exceeds the Consideration for the Mortgage Loans acquired by the Series Trust and, for the first Determination Date after the Class A1-R Issue Date, the amount of any surplus issuance proceeds of Class A1-R Notes after redemption in full of the Class A1 Notes. |

+

| **Principal Chargeoff Reimbursement** |
| --- |
| The amount allocated from the Available Income Amount on that Distribution Date towards unreimbursed Principal Chargeoffs. |

+

| **Principal Draw Reimbursement** |
| --- |
| The amount allocated from the Available Income Amount on that Distribution Date towards unreimbursed Principal Draws. |

=

| **Available Principal Amount** |
| --- |

**Payment of Available Principal Amount on a Distribution Date**

**Principal Draws**

Allocate an amount to be applied as a Principal Draw for the immediately preceding Determination Date to the Available Income Amount to meet any Gross Income Shortfall in respect of that Distribution Date.

↓

**Redraw Facility Principal Outstanding**

Repay pari passu and rateably to the Redraw Facility Provider the Redraw Facility Principal Outstanding until the Redraw Facility Principal Outstanding is reduced to zero.

↓

**Redraws and Further Advances**

Repay to the Seller any redraws and further advances under the Mortgage Loans, other than further advances which cause the related Mortgage Loan to be removed from the Series Trust, made by the Seller during or prior to the preceding Collection Period just ended and which have not been previously repaid.

↓

**Class A1 Noteholders**

If the relevant Distribution Date occurs on or prior to the Class A1-R Issue Date, repay pari passu and rateably to the Class A1 Noteholders principal on the Class A1 Notes until the Invested Amount of the Class A1 Notes is reduced to zero.

If the relevant Distribution Date occurs after the Class A1-R Issue Date, repay pari passu and rateably to the Class A1-R Noteholders principal on the Class A1-R Notes until the Invested Amount of the Class A1-R Notes is reduced to zero.

However, if the Step-Down Conditions are satisfied, principal on the Class A1 Notes or the Class A1-R Notes (as applicable) will be paid pari passu and rateably with the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes to the extent described in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*").

↓

**Class A2 Noteholders**

Repay pari passu and rateably to the Class A2 Noteholders principal on the Class A2 Notes until the Invested Amount of the Class A2 Notes is reduced to zero.

However, if the Step-Down Conditions are satisfied, principal on the Class A2 Notes will be paid pari passu and rateably with the Class A1 Notes or the Class A1-R Notes (as applicable), the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as described in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*").

↓

**Class B Noteholders**

Repay pari passu and rateably to the Class B Noteholders principal on the Class B Notes until the Invested Amount of the Class B Notes is reduced to zero.

However, if the Step-Down Conditions are satisfied, principal on the Class B Notes will be paid pari passu and rateably with the Class A1 Notes or the Class A1-R Notes (as applicable), the Class A2 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as described in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*").

↓

**Class C Noteholders**

Repay pari passu and rateably to the Class C Noteholders principal on the Class C Notes until the Invested Amount of the Class C Notes is reduced to zero.

However, if the Step-Down Conditions are satisfied, principal on the Class C Notes will be paid pari passu and rateably with the Class A1 Notes or the Class A1-R Notes (as applicable), the Class A2 Notes, the Class B Notes, the Class D Notes, the Class E Notes and the Class F Notes as described in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*").

↓

**Class D Noteholders**

Repay pari passu and rateably to the Class D Noteholders principal on the Class D Notes until the Invested Amount of the Class D Notes is reduced to zero.

However, if the Step-Down Conditions are satisfied, principal on the Class D Notes will be paid pari passu and rateably with the Class A1 Notes or the Class A1-R Notes (as applicable), the Class A2 Notes, the Class B Notes, the Class C Notes, the Class E Notes and the Class F Notes as described in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*").

↓

**Class E Noteholders**

Repay pari passu and rateably to the Class E Noteholders principal on the Class E Notes until the Invested Amount of the Class E Notes is reduced to zero.

However, if the Step-Down Conditions are satisfied, principal on the Class E Notes will be paid pari passu and rateably with the Class A1 Notes or the Class A1-R Notes (as applicable), the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class F Notes as described in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*").

↓

**Class F Noteholders**

Repay pari passu and rateably to the Class F Noteholders principal on the Class F Notes until the Invested Amount of the Class F Notes is reduced to zero.

However, if the Step-Down Conditions are satisfied, principal on the Class F Notes will be paid pari passu and rateably with the Class A1 Notes or the Class A1-R Notes (as applicable), the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes as described in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*").



**Capital Unitholder**

Pay any remaining amounts to the Capital Unitholder.

## 2.15 Miscellaneous

(a) **Transfer**

Unless lodged in Austraclear, the Notes may only be purchased or sold by execution and registration of a Security Transfer. For further details, see Section 8.2(c) ("*Transfer of Notes*").

A Note can only be transferred if:

(i) the relevant offer for sale or invitation to purchase:

A. does not require disclosure to investors under Part 6D.2 of the Corporations Act;

B. is not made to a Retail Client; and

C. complies with all applicable laws in all jurisdictions in which the offer or invitation is made; and

(ii) the relevant offer or invitation is in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act (see Section 14 (*"Selling Restrictions"*) for more details).

(b) **Austraclear**

It is intended that the Notes will be lodged in Austraclear after issue. Any subsequent transfer of a Note must be in accordance with the Austraclear Regulations so long as the relevant Note is held in Austraclear. Once the relevant Notes are lodged in Austraclear, interests in the Notes may be held through Euroclear or Clearstream, Luxembourg, in which case, the rights of a holder of interests in Notes so held will also be subject, *inter alia*, to the respective rules and regulations for accountholders of Euroclear and Clearstream.

For further details, see Section 8.2(c) (*"Transfer of Notes"*).

(c) **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. For further details, see Section 12 (*"Taxation considerations"*).

(d) **Withholding Tax and Tax File Numbers**

Payments of principal and interest on the Notes will be reduced by any applicable withholding taxes. The Trustee is not obligated to pay any additional amounts to Noteholders to cover any withholding taxes (including, without limitation, FATCA Withholding).

Under present law, interest paid on debentures (such as the Notes) will not be subject to Australian interest withholding tax if they are issued in accordance with certain prescribed conditions set out in section 128F of the Australian Tax Act and they are not acquired directly or indirectly by any Offshore Associate of the Trustee or Commonwealth Bank of Australia.

The Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are intended to be offered in accordance with section 128F of the Australian Tax Act. Offshore Associates of the Trustee or Commonwealth Bank of Australia should not acquire any Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes.

Under current tax law, tax will be deducted on payments to a holder of a Note who is an Australian resident or a non-resident who holds the Notes in connection with a business carried on at or through a permanent establishment in Australia, who does not provide the Trustee with a tax file number (if applicable), Australian Business Number (where applicable) or proof of an exemption from the requirement to provide such details.

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

For further details see Section 12 (*"Taxation considerations"*).

# 3 Some risk factors

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

## 3.1 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(g) ("*Limitation of the Trustee's Liability*")).

## 3.2 Secondary Market Risk

Each Dealer has undertaken to use reasonable endeavours, subject to market conditions, to assist Noteholders (other than Class A1-R Noteholders) so requesting to locate potential purchasers of the relevant Notes from time to time in order to facilitate liquidity in the relevant Notes. However, there is no assurance that any secondary market for the Notes will develop or, if one does develop, that it will provide liquidity of investment or will continue for the life of the Notes.

The risk that a secondary market in the Notes will not develop, cease to develop or fail is increased during major disruptions in the capital markets. Such disruptions may not be limited to issues which are directly relevant to the Assets of the Series Trust and which therefore may appear to be unrelated to the Notes. For example, the "global financial crisis" was precipitated by performance concerns in the "sub-prime" loan market in the United States. Due to the way in which those "sub-prime" loans were funded in the capital markets, many investors with exposure to sub-prime loans were forced to revalue their investments based on current market prices and liquidate holdings which crystallised losses. During this downturn, the global debt capital markets experienced disruptions worldwide resulting from reduced investor demand for debt instruments, including mortgage-backed securities.

While there has been some improvement in conditions in the global financial markets and the secondary markets, there can be no assurance that future events will not occur that could have an adverse effect on secondary market liquidity for mortgage-backed securities. If illiquidity of investment increases for any reason, including as described above, it could adversely affect the market value of the Notes and/or limit the ability to resell the Notes.

Further, the global financial crisis has demonstrated that there is no certainty as to whether the price of the Notes will be affected by factors which are unrelated to the credit quality of the Notes. For example, the price of the Notes may be affected by issues including the performance of debt instruments of other Medallion Trust Programme trusts, even though these events may have no direct correlation to the quality of the Assets of the Series Trust.

### 3.3 Timing of Principal Payments

If the Notes were bought above face value, the yield on the Notes will drop if the principal payments occur at a faster than expected rate. If the Notes were bought below face value, the yield on the Notes will drop if principal payments occur at a slower than expected rate. Set out below is a description of some circumstances in which the Trustee may receive early or delayed repayments of principal on the Mortgage Loans and, as a result of which, the Noteholders may receive repayments of principal on the Notes earlier or later than would otherwise have been the case:

(a) enforcement proceeds received by the Trustee due to a borrower having defaulted on its Mortgage Loan;

(b) receipt of insurance proceeds by the Trustee in relation to an insurance claim in respect of a Mortgage Loan;

(c) repurchases of Mortgage Loans by Commonwealth Bank of Australia as a result of any one of the following occurring:

(i) the discovery and subsequent notice by the Trustee, Commonwealth Bank of Australia or the Manager, no later than 5 Business Days prior to the expiry of the Prescribed Period, that any of the representations and warranties made by Commonwealth Bank of Australia in respect of that Mortgage Loan were incorrect when given (see Section 6.7 (*"Undertakings by the Seller"*));

(ii) Commonwealth Bank of Australia making a further advance under a Mortgage Loan which causes the scheduled principal balance for that Mortgage Loan to be exceeded by more than 1 scheduled monthly instalment (see Section 7.4(c) ("*Redraws and Further Advances*"));

(iii) a Potential Termination Event occurs which leads to the Series Trust being terminated early and the Mortgage Loans being repurchased by Commonwealth Bank of Australia or sold to a third party (see Section 9.1 (*"Termination of the Series Trust"*));

(iv) Commonwealth Bank of Australia exercising its option to repurchase the balance of the Mortgage Loans following the termination of the Series Trust or on any relevant Distribution Date falling on or after the Call Date (see Section 8.22 (*"Optional Redemption of the Notes – on or after the Call Date"*) and Section 10.12 (*"Clean-Up"*));

(v) Commonwealth Bank of Australia electing to repurchase a Mortgage Loan where it has or proposes to agree to a request by the borrower to make certain changes affecting the Mortgage Loan (including but not limited to splitting or converting that Mortgage Loan to another loan type) in circumstances where it would be otherwise be prevented under the Series Supplement from agreeing to those changes as Servicer (see Section 11.1(l) ("*Incidental Mortgage Loan Term Extensions and Product Changes*"));

(vi) Commonwealth Bank of Australia electing to repurchase a Mortgage Loan where it has or proposes to agree to a request by the borrower for the provision of any other loan, credit or other financial accommodation (other than the Mortgage Loan) which would become subject to the same Collateral Security as the Mortgage Loan or would otherwise be held as an asset of the CBA Trust (see Section 6.4 "*Transfer and Assignment of the Mortgage Loans*");

(d) the Servicer is obliged to service the Mortgage 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 and servicing retail home loans. There is no definitive view as to whether the standards and practices of a prudent lender in the business of making and servicing retail home loans do or do not include the Servicer's own franchise considerations. If those considerations are included the Servicer would be entitled to consider its own reputation and future business writing prospects in making a determination as to how current Mortgage Loans are administered. Such a course may result in a delay of principal returns to Noteholders. The Servicer is, however, required to give undertakings as to how it will administer the Mortgage Loans (see Section 11.1(f) (*"Undertakings by the Servicer"*)) and comply with the express limitations in the Series Supplement;

(e) the terms and conditions of the Mortgage Loans and related securities allow borrowers, with the consent of Commonwealth Bank of Australia, to substitute their mortgaged property with a different mortgaged property without necessitating the repayment of the Mortgage Loan in full. Mortgage Loans which are secured by mortgaged property which may be substituted in this way may show a slower rate of prepayment than Mortgage Loans secured by mortgaged property which cannot be substituted in this way;

(f) the terms and conditions of a Mortgage Loan and its related securities may allow a borrower, at the discretion of Commonwealth Bank of Australia, to redraw funds previously prepaid by that borrower (see Section 7.4(c) (*"Redraws and Further Advances"*)). This may slow the rate of prepayment on the Mortgage Loans; and

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

### 3.4 Prepayment then Non-Payment

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

The failure of borrowers to make payments when due after an amount has been prepaid under their Mortgage Loans may affect the ability of the Trustee to make timely payments of interest and principal to Noteholders. If the Trustee has insufficient funds to pay the Class A1 Aggregate Interest Amount, the Class A1-R Aggregate Interest Amount, the Class A2 Aggregate Interest Amount, the Class B Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class B Notes), the Class C Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class C Notes), the Class D Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class D Notes), the Class E Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class E Notes) and the Class F Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class F Notes) because the above situation has occurred, the Trustee may allocate funds from the Available Principal Amount towards meeting the remaining shortfall as a Principal Draw. If there is still a shortfall after application of the Principal Draw, the Trustee may be entitled to

make a drawing under the Liquidity Facility for the amount of the shortfall up to a total aggregate amount equal to the un-utilised portion of the Liquidity Facility Limit. The Liquidity Facility (together with any Principal Draw) mitigates the risk of a deficiency in funds to pay interest on the Notes but may not be sufficient to cover the whole of the deficiency.

## 3.5 Delinquency and Default Risk

The Trustee's obligations to pay interest and principal on the Notes in full is limited by reference to, amongst other things, receipts under or in respect of the outstanding Mortgage Loans. Noteholders must rely, amongst other things, for payment upon payments being made under the Mortgage Loans and on amounts available under any Mortgage Insurance Policies and, if and to the extent available, money to be drawn under the Liquidity Facility (see Section 10.9 ("*Mortgage Insurance*") and Section 10.7 ("*The Liquidity Facility*")).

If borrowers fail to make their monthly payments when due (other than when the borrower has prepaid principal under its Mortgage Loan, as to which see Section 3.4 ("*Prepayment then Non-Payment*")), there is a possibility that the Trustee may have insufficient funds to make full payments of interest on the Notes and eventual payment of principal to the Noteholders. A wide variety of local or international developments of a legal, social, economic, political or other nature could conceivably affect the performance of borrowers under their Mortgage Loans.

In particular, as at the Cut-Off Date, some of the Mortgage Loans will be set at variable rates. These rates are reset from time to time at the discretion of Commonwealth Bank of Australia (see Section 11.1(g) ("*Servicing of the Mortgage Loans*")). It is possible, therefore, that if these rates increase significantly relative to historical levels, borrowers may experience distress and increased default rates on the Mortgage Loans may result.

If a borrower defaults on payments to be made under a Mortgage Loan and the Servicer seeks to enforce the mortgage securing the Mortgage Loan, many factors may affect the length of time before the mortgaged property is sold and the proceeds of sale are realised. In such circumstances, the sale proceeds are likely to be less than if the sale was carried out by the borrower in the ordinary course. Any such delay and any loss incurred as a result of the realised proceeds of the sale of the property being less than the principal amount outstanding at that time under the Mortgage Loan may affect the ability of the Trustee to make payments under the Notes, notwithstanding any amounts that may be claimed under the relevant Mortgage Insurance Policy (see Section 3.11 ("*Mortgage Insurance*") and Section 10.9 ("*Mortgage Insurance*")), or claimed under the Liquidity Facility (see Section 10.8 ("*The Liquidity Facility*")).

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

## 3.6 Servicer Risk

The Servicer may be removed as servicer in certain circumstances, including upon the occurrence of a Servicer Default, and may retire as Servicer by giving not less than 3 months' notice of its intention to do so (or, if the Trustee has agreed to a lesser period of notice, that lesser period).

Upon removal of the Servicer, the Trustee is obliged to find another entity to perform the role of Servicer for the Series Trust. Upon retirement of the Servicer, the Servicer may, subject to any approval required by law, appoint in writing any other corporation approved by the Trustee (acting reasonably) as Servicer in its place. If the Servicer does not propose a replacement by the date which is 1 month prior to the date of its proposed retirement, the Trustee is entitled to appoint a new Servicer as of the date of the proposed retirement. The appointment of a substitute Servicer will only have effect once the Manager has given prior written notice to each Rating

Agency in relation to such appointment and the substitute Servicer has executed a deed under which it agrees to service the Mortgage Loans and related securities upon the same terms as originally agreed to by the Servicer. However, there is no guarantee that a substitute Servicer will be found who would be willing to service the Mortgage Loans and related securities on the same terms agreed to by the Servicer.

If the Trustee is unable to locate a suitable substitute Servicer, the Trustee must act as the substitute Servicer, and will continue to act in this capacity until a suitable substitute Servicer is found.

### 3.7 Risks of Equitable Assignment

The Mortgage Loans will initially be assigned by Commonwealth Bank of Australia as Seller to the Trustee in equity and borrowers and any guarantors or security providers will not be notified of that equitable assignment. If the Trustee declares that a Perfection of Title Event has occurred the Trustee and the Manager must, amongst other things, take all such steps as are necessary to perfect the Trustee's legal title in the mortgages relating to the Mortgage Loans (see Section 6.5 (*"Representations, Warranties and Eligibility Criteria"*) for further details on Perfection of Title Events). Until such time, the Trustee is not to take any such steps to perfect legal title and, in particular, it will not notify the borrowers or any security providers of the assignment of the Mortgage Loans.

The initial equitable assignment of the Mortgage Loans and associated delay in the notification to a borrower or any guarantor or security provider of the assignment of the Mortgage Loans to the Trustee may have the following consequences:

(a) until a borrower, guarantor or security provider has notice of the assignment, such person is not bound to make payment to anyone other than the Seller and the borrower, guarantor or security provider can obtain a valid discharge from the Seller. As the Trustee will not have the right to give notice of assignment to the borrower, guarantor or security provider until a Perfection of Title Event has occurred, there is, therefore, a risk that a borrower, guarantor or security provider may make payments to the Seller after the Seller has become insolvent, but before the borrower, guarantor or security provider receives notice of assignment of the relevant Mortgage Loan. These payments may not be able to be recovered by the Trustee. In addition, section 80(7) of the PPSA provides that an obligor will be entitled to make payments and obtain a good discharge from the Seller rather than directly to, and from, the Trustee until such time as the obligor receives a notice of the assignment that complies with the requirements of section 80(7)(a) of the PPSA, including, without limitation, a statement that payment is to be made to the Trustee, unless the obligor requests the Trustee to provide proof of the assignment and the Trustee fails to provide that proof within 5 Business Days of the request, in which case the obligor may continue to make payments to the Seller. Accordingly, a borrower, guarantor or security provider may nevertheless make payments to the Seller and obtain a good discharge from the Seller notwithstanding the legal assignment of a Mortgage Loan to the Trustee, if the Trustee fails to comply with these requirements. One mitigating factor is that the Seller is appointed as the initial Servicer of the Mortgage Loans and is obliged to deal with all moneys received from borrowers, guarantors or security providers in accordance with the Series Supplement and to service those Mortgage Loans in accordance with the servicing standards, however this may be of limited benefit if the Seller is insolvent;

(b) rights of set-off or counterclaim may accrue in favour of the borrower, guarantor or security provider against its obligations under the Mortgage Loans which may result in the Trustee receiving less money than expected from the Mortgage Loans (see Section 3.8 (*"Set-Off"*) below). However, under the Mortgage Loan documents, borrowers,

guarantors and security providers agree to waive rights of set-off or counterclaim that they may have against Commonwealth Bank of Australia;

(c) for so long as the Trustee holds only an equitable interest in the Mortgage Loans, the Trustee's interest in the Mortgage Loans may become subject to the interests of third parties created after the creation of the Trustee's equitable interest but prior to it acquiring a legal interest. To reduce this risk, the Servicer has undertaken not to consent to the creation or existence of any security interest over the mortgages securing the Mortgage Loans;

(d) for so long as the Trustee holds only an equitable interest in the Mortgage Loans, Commonwealth Bank of Australia may need to be joined as a party to any legal proceedings against any borrower, guarantor or security provider in relation to the enforcement of any Mortgage Loan. In this regard, the Servicer undertakes to service (including enforce) the Mortgage Loans in accordance with the servicing standards;

(e) the agreement from which a Mortgage Loan derives may be modified or substituted by the Seller and the relevant borrower, guarantor or security provider without the involvement of the Trustee both before and after the notice of the transfer to the relevant borrower, guarantor or security provider, subject to certain conditions including that the modification or substitution does not have a material adverse effect on the transferee's rights under the contract or the transferor's ability to perform the contract; and

(f) to effect a legal assignment of Mortgage Loans will require:

(i) the execution of a further instrument in writing by the Seller in accordance with section 12 of the Conveyancing Act 1919 (NSW) or the applicable equivalent provision in each other Australian jurisdiction;

(ii) in relation to each Mortgage Loan which is a mortgage, the execution and registration of instruments of transfer under the applicable real property legislation in the Australian jurisdictions; and

(iii) depending on the situs of the Mortgage Loan, the payment of stamp duty on the transfer of the Mortgage Loan.

## 3.8 Set-Off

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

If Commonwealth Bank of Australia becomes insolvent, it can be expected that borrowers, guarantors and security providers will exercise their set-off rights to a significant degree.

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

## 3.9 Ability of the Trustee to Redeem the Notes

The ability of the Trustee to redeem all the Notes at their aggregate outstanding principal amounts whilst any of the Mortgage Loans are still outstanding will depend upon whether the Trustee is able to collect or otherwise obtain an amount sufficient to redeem the Notes and to pay its other obligations in the order explained in Section 8.12 (*"Payment of the Available Principal Amount on a Distribution Date"*). Following an Event of Default and enforcement of the Charge, 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 10.6(k) (*"The Security Trust Deed"*)). The moneys available to the Security Trustee for distribution may not be sufficient to satisfy in full the claims of all or any of the Noteholders and neither the Security Trustee nor the Trustee will have any liability to the Noteholders in respect of any such deficiency. Although the Security Trustee may seek to obtain the necessary funds by means of a sale of the outstanding Mortgage Loans, there is no guarantee that there will be at that time an active and liquid secondary market for mortgages. Further, if there was such a secondary market, there is no guarantee that the Security Trustee will be able to sell the Mortgage Loans for the principal amount then outstanding under such Mortgage Loans.

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

## 3.10 Breach of Representation and Warranty

Commonwealth Bank of Australia (as Seller and Servicer) makes certain representations and warranties as at the Cut-Off Date to the Trustee in relation to the Mortgage Loans to be assigned to the Trustee on the Closing Date (see Section 6.6 (*"Breach of Representations and Warranties"*)). The Trustee has not investigated or made any enquiries (and will not investigate or make 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 6.6 (*"Breach of Representations and Warranties"*)).

Commonwealth Bank of Australia has agreed in the Series Supplement that if any one of the representations and warranties given by Commonwealth Bank of Australia (as Seller) was incorrect when given and notice of such discovery is given by the Manager or Commonwealth Bank of Australia, as applicable, to the Trustee or by the Trustee to Commonwealth Bank of Australia, no later than 5 Business Days prior to the expiry of the Prescribed Period and that breach of representation and warranty is not remedied by Commonwealth Bank of Australia (in a manner determined by it) to the satisfaction of the Trustee within 5 Business Days (or such longer period as the Trustee, the Manager and Commonwealth Bank of Australia agree in writing) of that notice being given or received by Commonwealth Bank of Australia or the Manager (as the case may be), Commonwealth Bank of Australia must repurchase that Mortgage Loan by paying the Trustee the principal amount outstanding in respect of that Mortgage Loan and the accrued but unpaid interest in respect of that Mortgage Loan, in each case as at the date that Commonwealth Bank of Australia or the Manager gives or receives notice (as the case may be).

If a representation or warranty by Commonwealth Bank of Australia (as Seller) in relation to a Mortgage Loan and its Mortgage Loan Rights is discovered to be incorrect after the last day for giving notices in the Prescribed Period, and that breach is not remedied by Commonwealth Bank of Australia (in a manner determined by it) to the satisfaction of the Trustee within 5 Business Days (or such longer period as the Trustee, the Manager and Commonwealth Bank of Australia agree in writing) of notice of the breach being given or received by the Commonwealth Bank of Australia or the Manager (as the case may be), Commonwealth Bank

of Australia must indemnify the Trustee against any costs, damages or loss arising from that breach. However, the amount of such costs, damages or loss so determined must not exceed the principal amount outstanding, together with any accrued but unpaid interest and any outstanding fees, in respect of the Mortgage Loan.

Besides these remedies described above, there is no other express remedy available to the Trustee in respect of a breach of the representations and warranties given in respect of the Mortgage Loans. The rights of the Trustee in respect of any representation or warranty being incorrect are described in more detail in Section 6.7 (*"Undertakings by the Seller"*).

## 3.11 Mortgage Insurance

A high LTV master mortgage insurance policy issued by Genworth Financial Mortgage Insurance Pty Limited will provide full coverage for all principal due on those Mortgage Loans which generally had a loan to value ratio greater than 80% at the time of origination. Some Mortgage Loans which had a loan to value ratio greater than 80% at the time of origination may not be covered by any mortgage insurance policy, but the Seller may charge the borrower a fee as described in Section 10.9 (*"Mortgage Insurance"*). Mortgage Loans with a loan to value ratio less than or equal to 80% at the time of origination may not be covered by individual or pool mortgage insurance policies issued by Genworth Financial Mortgage Insurance Pty Limited.

The relevant mortgage insurance policy is subject to certain exclusions from coverage and rights of refusal or reduction of claims, certain of which are described in Section 10.9 (*"Mortgage Insurance"*). The availability of funds under the relevant mortgage insurance policy will ultimately be dependent on the financial strength of the insurer. A borrower's payments that are expected to be covered by a mortgage insurance policy may not be covered or may be reduced because of these exclusions, refusals or reductions or in the event that the mortgage insurer becomes subject to administration, liquidation or other form of insolvency proceedings or suffers financial difficulties which impede the mortgage insurer's ability to perform its obligations. If such circumstances arise, the Trustee may not have enough money to make timely and full payments of principal and interest on the Notes.

A claim under a mortgage insurance policy may be refused or reduced in certain circumstances (see generally Section 10.10 (*"Mortgage Insurance"*)) including in the event of a misrepresentation or a breach of any duty of disclosure by Commonwealth Bank of Australia or the Trustee. This may affect the ability of the Trustee to make timely payments of interest and principal on the Notes. However, in respect of certain of these circumstances, the Trustee may have recourse to Commonwealth Bank of Australia either for breach of a representation and warranty (see Section 6.6 (*"Breach of Representations and Warranties"*)) or for breach of its obligations as Servicer (see Section 11.1(k)(iii) (*"Servicing of the Mortgage Loans"*)).

## 3.12 Consumer Credit Legislation

Some of the Mortgage Loans and related mortgages and guarantees are regulated by the Consumer Credit Legislation.

The Consumer Credit Legislation requires anyone that engages in a credit activity, including by providing credit or exercising the rights and obligations of a credit provider, to be appropriately authorised or licensed to do so. This requires those persons to either hold an Australian Credit Licence, be exempt from this requirement or be a credit representative of a licensed person.

The Consumer Credit Legislation imposes a range of disclosure and conduct obligations on persons engaging in a credit activity. For example, any increase of the credit limit of a regulated loan must be considered and made in accordance with the responsible lending obligations of the Consumer Credit Legislation.

Failure to comply with the Consumer Credit Legislation may mean that court action is brought by the borrower, guarantor, mortgagor or by the Australian Securities and Investments Commission ("**ASIC**") to:

(a) grant an injunction preventing a regulated Mortgage Loan from being enforced (or any other action in relation to the Mortgage Loan) if to do so would breach the Consumer Credit Legislation;

(b) order compensation to be paid for loss or damage suffered (or likely to be suffered) as a result of a breach of a civil penalty provision or a criminal offence in the Consumer Credit Legislation;

(c) if a credit activity has been engaged in without a licence and no relevant exemption applies, an order it considers appropriate so that no profiting can be made from the activity, to compensate for loss and to prevent loss. This could include an order declaring a contract, or part of a contract, to be void, varying the contract, refusing to enforce, ordering a refund of money or return of property, payment for loss or damage or being ordered to supply specified services;

(d) in the case of a debtor, vary the terms of a Mortgage Loan on the grounds of hardship;

(e) vary the terms of a Mortgage Loan and related mortgage or guarantee, or a change to such documents, that are unjust, and reopen the transaction that gave rise to the Mortgage Loan and any related mortgage or guarantee, or change;

(f) in the case of a debtor or guarantor, reduce or cancel any interest rate payable on the Mortgage Loan arising from a change to that rate which is unconscionable;

(g) have certain provisions of the Mortgage Loan or a related mortgage or guarantee which are in breach of the legislation declared void or unenforceable;

(h) obtain restitution or compensation from the credit provider in relation to any breaches of the Consumer Credit Legislation in relation to the Mortgage Loan or a related mortgage or guarantee; or

(i) seek various remedies for other breaches of the Consumer Credit Legislation.

Applications may also be made to relevant external dispute resolution schemes, which have the power to resolve disputes where the amount in dispute is below the relevant threshold. The threshold is currently A$1,000,000 for most types of disputes (certain disputes have a higher, and in some cases unlimited, threshold amount) and the Australian Financial Complaints Authority (AFCA) oversees a single scheme for resolution of financial services and superannuation disputes in Australia. The scope to challenge an adverse determination by AFCA is limited, and a decision is not subject to judicial review.

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

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

Any such order (by a court or external dispute resolution scheme) may affect the timing or amount of interest, fees or charges or principal payments under the relevant Mortgage Loan

(which might in turn affect the timing or amount of interest or principal payments under the Notes).

Breaches of the Consumer Credit Legislation may also lead to civil penalties or criminal fines being imposed on the Seller, for so long as it holds legal title to the Mortgage Loans and the mortgages. If the Trustee acquires legal title or otherwise becomes a "credit provider" with respect to regulated Mortgage Loans, it will then become primarily responsible for compliance with the Consumer Credit Legislation and would be exposed to civil and criminal liability for certain breaches. These include breaches caused in fact by the Servicer. The amount of any civil penalty payable by the Seller or the Trustee (as the case may be) may be set off against any amount payable by the debtor under the Mortgage Loans.

The Trustee will be indemnified out of the Assets of the Series Trust for liabilities it incurs under the Consumer Credit Legislation. Where the Trustee is held liable for breaches of the Consumer Credit Legislation, the Trustee must seek relief initially under any indemnities provided to it by the Manager, the Seller or the Servicer before exercising its rights to recover against any Assets of the Series Trust.

The Seller will give certain representations and warranties that the mortgages relating to the Mortgage Loans complied in all material respects with all applicable laws when those mortgages were entered into. The Servicer has also undertaken to comply with the Consumer Credit Legislation in carrying out its obligations under the Transaction Documents. In certain circumstances the Trustee may have the right to claim damages from Commonwealth Bank of Australia (as Seller or Servicer), as the case may be, where the Trustee suffers loss in connection with a breach of the Consumer Credit Legislation which is caused by a breach of a relevant representation or undertaking.

***Unfair Terms***

The terms of the Mortgage Loans may be subject to review under Division 2 Part 2 of the Australian Securities and Investments Commission Act 2001 (the "**National Unfair Terms Regime**") if they have been entered into by:

(a) individuals; or

(b) from 12 November 2016, small businesses which employ less than 20 people where the upfront price payable under the contract is A$300,000 or less, or A$1,000,000 or less if the contract is for more than 12 months.

Mortgage Loans may also be subject to review under Part 2B of the Fair Trading Act 1999 (Vic) for being unfair if they have been entered into by individuals.

Under the National Unfair Terms Regime, a term of a standard-form consumer contract will be unfair, and therefore void, if it causes a significant imbalance in the parties' rights and obligations under the contract, it is not reasonably necessary to protect the supplier's legitimate interests and it would cause detriment (whether financial or otherwise) to a party if it were to be applied or relied on. If a term is held to be unfair, it will be void, but the contract will continue to bind the parties if it is capable of operating without the unfair term.

Also, under the Victorian regime set out in Part 2B of the Fair Trading Act 1999 (Vic), a term in a consumer contract would be unfair if, 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. The Fair Trading Act 1999 (Vic) also includes (through regulation) a list of prescribed unfair terms. Unfair terms will be void, but the contract will continue to bind the parties if it is capable of existing without the unfair term or prescribed unfair term.

Both the Victorian regime and/or the National Unfair Terms Regime may apply to Mortgage Loans, depending when the Mortgage Loans were entered into. However, the Victorian regime only applies to agreements if they were entered into between 9 October 2003 (or June 2009 for credit contracts which were formerly regulated by the Consumer Credit (Victoria) Act 1995 (Vic)) and 1 January 2011. Mortgage Loans and related mortgages and guarantees entered into before the application of either the Victorian regime or the National Unfair Terms Regime will become subject to the National Unfair Terms Regime going forward if those contracts are renewed or a term is varied (although, where a term is varied, the regime only applies to the varied term).

If a provision of any of the Mortgage Loans were found to be unfair, this could have an adverse effect on the ability of the Trustee to recover money from the relevant borrower and consequently to make payments under the Transaction Documents.

***Effect of Orders***

An order made under any of the above consumer credit laws may affect the timing or amount of collections under the relevant mortgage loans which may in turn affect the timing or amount of interest and principal payments under the Notes.

***Seller and Servicer obligations***

Commonwealth Bank of Australia has made certain representations and warranties that the Mortgage Loans complied with all applicable laws at the time the Mortgage Loans were made. The Servicer has undertaken to comply with all applicable laws in servicing those loans regulated by the legislation.

## 3.13 Independent Ratings Evaluation

The security ratings of the Notes should be evaluated independently from similar ratings on other types of Notes or securities. A security rating by a Rating Agency is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, qualification or withdrawal at any time by the relevant Rating Agency. A revision, suspension, qualification or withdrawal of the rating of the Notes may adversely affect the price of the Notes. In addition, the 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 Final Maturity Date.

## 3.14 Investor Suitability

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

Mortgage-backed securities, like the Notes, usually produce more returns of principal to investors when market interest rates fall below the interest rates on the Mortgage Loans and produce less returns of principal when market interest rates rise above the interest rates on the Mortgage Loans. If borrowers refinance their Mortgage Loans as a result of lower interest rates, investors will receive an unanticipated payment of principal. As a result, investors are likely to receive more money to reinvest at a time when other investments generally are producing a lower yield than that on the Notes and are likely to receive less money to reinvest when other investments generally are producing a higher yield than that on the Notes. Investors will bear the risk that the timing and amount of payment on the Notes will prevent investors from attaining the desired yield.

## 3.15 Changes in the Features of Mortgage Loans

The features of the Mortgage Loans, including their interest rates, may be changed by Commonwealth Bank of Australia, either on its own initiative or at a borrower's request. Some of these changes may include the addition of newly developed features which are not described in this Information Memorandum. As a result of these changes and borrowers' payments of principal, the concentration of Mortgage Loans with specific characteristics is likely to change over time, which may affect the timing and amount of payments investors receive.

If Commonwealth Bank of Australia changes the features of the Mortgage Loans or fails to offer desirable features offered by their competitors, borrowers might elect to refinance their loan with another lender to obtain more favourable features. In addition, the Mortgage Loans included in the Series Trust are not permitted to have some features. If a borrower chooses to add one of these features to his or her Mortgage Loan, in effect the Mortgage Loan will be repaid and a new Mortgage Loan will be written which will not form part of the Assets of the Series Trust. In addition, where the Mortgage Loan becomes subject to an Incidental Mortgage Loan Term Extension or a Product Change or Commonwealth Bank of Australia has or proposes to agree to a request by the borrower for the provision of any other loan, credit or other financial accommodation (other than the Mortgage Loan) which would become subject to the same Collateral Security as the Mortgage Loan or would otherwise be held as an asset of the CBA Trust (including, but not limited, to circumstances where the Mortgage Loan is "split" to create one or more additional loans), Commonwealth Bank of Australia may elect to repurchase the Mortgage Loan from the Series Trust as described in Section 11.1(l) ("*Incidental Mortgage Loan Term Extensions and Product Changes*"). The refinancing or removal of Mortgage Loans could cause investors to experience higher rates of principal prepayment than investors expected, which could affect the yield on Notes.

## 3.16 Australian Economic Conditions

If the Australian economy were to experience a decline in economic conditions, an increase in interest rates, a fall in property values or any combination of these factors, delinquencies or losses on the Mortgage Loans might increase, which might cause losses on the Notes.

## 3.17 Geographic Concentration of Mortgage Loans

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

## 3.18 Privacy

The collection and handling of personal information (including credit reporting information) about individuals (including debtors, mortgagors and guarantors) is regulated by the Australian *Privacy Act 1988* (Cth). The Act contains, amongst other things, restrictions and requirements relating to the collection, use, disclosure and management of personal information. Depending on the type of personal information involved, if such collection, use, disclosure or management of personal information does not comply with the Act, the contravening party can be liable to civil penalties (and, in some instances can be guilty of an offence punishable by fines). In addition, an individual affected by a breach of the Act may complain to the Office of the Australian Information Commissioner ("**OAIC**") or, in some circumstances, to a recognised external dispute resolution scheme. These bodies can investigate the complaint and make determinations which can become binding on the entity subject to the complaint, such as

requiring the payment of compensation for loss or damage suffered by the individual as a result of a breach of the Act or the taking of remedial action to address such a breach. The OAIC also has extensive investigation and enforcement powers that can be applied to an entity subject to the Act. An entity participating in credit reporting can also be subject to audits and compliance-related investigations administered by any credit reporting bodies with which it deals. In the event of potential breaches of the credit reporting provisions under the Act, such credit reporting bodies may also undertake enforcement action, such as ceasing to provide access to credit reporting information.

### 3.19 Credit Support Notes provide only limited protection

The amount of credit enhancement provided through the subordination of the relevant Credit Support Notes is limited and could be depleted prior to the payment in full of the Class A1 Notes, the Class A1-R Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes (as applicable). If the principal amount of the relevant Credit Support Notes is reduced to zero, the Class A1 Noteholders, the Class A1-R Noteholders, the Class A2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (as applicable) may suffer losses on the relevant Notes.

### 3.20 Termination of Swaps

(a) The Trustee will exchange the interest payments from the fixed rate Mortgage Loans for variable rate payments based upon Compounded AONIA under a fixed rate swap. If a fixed rate swap is terminated or the Fixed Rate Swap Provider fails to perform its obligations, Noteholders will be exposed to the risk that the floating rate of interest payable on the Notes will be greater than the discretionary fixed rate set by the Servicer on the fixed rate Mortgage Loans, which may lead to losses to Noteholders.

The Trustee will exchange the interest payments from the variable rate Mortgage Loans for variable rate payments based upon Compounded AONIA under a basis swap. If a basis swap is terminated, the Manager will direct the Servicer to, subject to applicable laws, set the rates at which interest set-off benefits are calculated under the mortgage interest saver accounts and 'Everyday Offset' accounts at a rate low enough to cover the payments owed by the Series Trust or to zero, and if that does not produce sufficient income, to set the interest rate on the variable rate Mortgage Loans at a rate high enough to cover the amounts included in the Required Income Amount. If the rates on the variable rate Mortgage Loans are set above the market interest rate for similar variable rate Mortgage Loans, the affected borrowers will have an incentive to refinance their loans with another institution, which may lead to higher rates of principal prepayment than Noteholders initially expected, which will affect the yield on the Notes.

If Class A1-R Notes are issued with a Benchmark Rate other than Compounded AONIA, the Trustee may enter into a further swap transaction under which the Trustee will exchange a proportion of the variable rate payments received by the Trustee under the fixed rate swap and the basis swap (which are based upon Compounded AONIA) for variable rate payments based upon the applicable Benchmark Rate for the Class A1-R Notes.

(b) If the Trustee is required to make a termination payment to the Interest Rate Swap Provider upon the termination of a swap transaction, the Trustee will make the termination payment from the Assets of the Series Trust. At all times, that termination payment will be made in priority to payments on the Notes unless the swap is terminated following a default by, or termination event relating to, the Interest Rate Swap Provider under the Interest Rate Swap Agreement (in which case the termination payment will be made after interest payments on all Classes of Notes). Thus, if the Trustee makes a

termination payment, there may not be sufficient funds remaining to pay interest on the Notes on the next Distribution Date, and the principal on the Notes may not be repaid in full.

### 3.21 Unreimbursed redraws and further advances

Unreimbursed redraws and permitted further advances will rank ahead of Notes with respect to payment of principal prior to enforcement of the Charge, and investors may not receive full repayment of principal on the Notes.

If there are insufficient Collections available to reimburse the Seller for redraws and permitted further advances as described in Section 8.16 ("*Redraws and Further Advances*"), the Manager must, if permitted under the Redraw Facility Agreement, arrange for the Trustee to request a Redraw Facility Advance for an amount equal to that shortfall. Redraw Facility Advances will rank ahead of Notes with respect to payment of principal both prior to and after enforcement of the Charge, and investors may not receive full repayment of principal on the Notes.

### 3.22 Recharacterisation of Mortgage Loans

The transfer of the Mortgage Loans from Commonwealth Bank of Australia to the Trustee is intended by the parties to be and has been documented as a sale. However, Commonwealth Bank of Australia will treat the transfer of the Mortgage Loans as an imputed loan for accounting purposes. If Commonwealth Bank of Australia were to become insolvent, a liquidator or other person that assumes control of Commonwealth Bank of Australia could attempt to recharacterise the sale of the Mortgage Loans as a loan or to consolidate the Mortgage Loans with the assets of Commonwealth Bank of Australia. Any such attempt could result in a delay in or reduction of collections on the Mortgage Loans available to make payments on the Notes. The risk of such a recharacterisation with respect to the Mortgage Loans may be increased by the treatment of the transfer of these Mortgage Loans as an imputed loan for accounting purposes.

### 3.23 Commingling of collections on the Mortgage Loans with other assets

Before Commonwealth Bank of Australia (as Seller) or the Servicer remits collections to the Collections Account, the collections may be commingled with the assets of the Seller or the Servicer. If the Seller or the Servicer becomes insolvent, the Trustee may only be able to claim those collections as an unsecured creditor of the insolvent company. This could lead to a failure to receive the collections on the Mortgage Loans, delays in receiving the collections, or losses to investors.

### 3.24 Limitations of liquidity and other structural enhancements

If the interest collections received during a Collection Period, together with any Extraordinary Expense Reserve Draw applied towards meeting any Extraordinary Expenses in respect of that Collection Period, are insufficient to cover, on the next Distribution Date, fees and expenses of the Series Trust and the Class A1 Aggregate Interest Amount, the Class A1-R Aggregate Interest Amount and the Class A2 Aggregate Interest Amount and the Class B Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class B Notes), the Class C Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class C Notes), the Class D Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class D Notes), the Class E Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class E Notes) and the Class F Senior Interest Amount (unless there are unreimbursed Principal Chargeoffs on the Class F Notes), funds may be allocated from the Available Principal Amount towards meeting such fees, expenses and interest as a Principal Draw as described in Section 8.6 ("*Principal Draw*"). If there still remains a shortfall after any Principal Draw, the Trustee will request an advance (to the extent that funds are available for drawing) under the Liquidity Facility. The amount of funds available by way of an

Extraordinary Expense Reserve Draw (if applicable), Principal Draw and under the Liquidity Facility will be limited and may be insufficient to meet any shortfall in available funds in full. In particular, with respect to the Liquidity Facility, see Section 10.8 ("*The Liquidity Facility*") for further details. In the event that there is not enough money available by way of Extraordinary Expense Reserve Draw (if applicable), any Principal Draw or under the Liquidity Facility or if a Principal Draw or drawing under the Liquidity Facility is not available in relation to interest payments due on that Class of Notes at the relevant time, investors may not receive a full payment of interest on that Distribution Date, which will reduce the yield on the Notes.

### 3.25 Principal Collections to cover liquidity shortfalls

If Principal Collections are drawn upon to cover shortfalls in interest collections and there is insufficient excess available income in succeeding Collection Periods to repay those Principal Draws, investors may not receive full repayment of principal on the Notes.

### 3.26 Availability of support facilities dependent on financial condition of support facility provider

Commonwealth Bank of Australia is acting as the initial Servicer, Fixed Rate Swap Provider, Basis Swap Provider, Liquidity Facility Provider and Redraw Facility Provider. In certain circumstances, Commonwealth Bank of Australia may resign or be removed from acting in such capacities. Accordingly, the availability of these various facilities will ultimately be dependent upon the financial strength of Commonwealth Bank of Australia (or any replacement provider of these facilities). If Commonwealth Bank of Australia (or any replacement provider of such a facility) experiences financial difficulties which impede or prohibit the performance of its obligations under the relevant facility, the Trustee may not have sufficient funds to make timely payment of the full amount of principal and interest due on the Notes.

### 3.27 Servicer waiving fees

Subject to the servicing requirements in Section 11.1 ("*Servicing of the Mortgage Loans*"), the Servicer has the express power, among other things, to waive any fees and break costs which may be collected in the ordinary course of servicing the Mortgage Loans or arrange the rescheduling of interest due and unpaid following a default under any Mortgage Loans, or to waive any right in respect of the Mortgage Loans and mortgages in the ordinary course of servicing the Mortgage Loans and mortgages. Those waivers may affect the timing and amount of payments investors receive.

### 3.28 Withholding tax

If a withholding tax is imposed on payments of interest on the Notes, investors will not be entitled to receive grossed-up amounts to compensate for such withholding tax. Thus, investors will receive less interest than is scheduled to be paid on the Notes.

Without limitation, Australian interest withholding tax will apply in relation to payments of interest (or payments in the nature of interest) on any Notes which are held by a non-resident of Australia (other than a non-resident holding the Notes in carrying on business at or through a permanent establishment in Australia) or a resident holding the Notes in carrying on business at or through a permanent establishment outside Australia unless an exemption is available.

It is intended that the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be offered, and interest will be paid from time to time, in a manner which satisfies the exemption from interest withholding tax contained in section 128F of the Australian Tax Act.

See Section 12 ("*Taxation Considerations*") for further details.

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

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 of Australia ("**AML/CTF Act**") sets out the anti-money laundering and counter-terrorism financing obligations that apply to reporting entities, which includes financial services institutions that provide designated services (there is also legislation which prevents payments to and transactions in connection with certain sanctioned persons and countries).

Under the AML/CTF Act, a reporting entity will be prohibited from providing any of the following services to a customer before the entity has successfully carried out the applicable customer identification procedures in respect of the customer:

(a) opening or providing an account, allowing any transaction in relation to an account or receiving instructions to transfer money in and out of the account;

(b) issuing or selling a security;

(c) exchanging one currency for another; and

(d) sending and receiving electronic funds transfer instructions and international funds transfer instructions.

The obligations placed upon a reporting entity could affect the services provided by that reporting entity and may result in a delay or decrease in the amounts received by a Noteholder.

## 3.30 Application of the Personal Property Securities regime

The Personal Property Securities Act 2009 ("**PPSA**") established a national system for the registration of security interests in personal property, together with new rules for the creation, priority and enforcement of security interests in personal property. The PPSA took effect on 30 January 2012.

Security interests for the purposes of the PPSA include traditional securities such as charges and mortgages (but do not include mortgages over real property). However, they also include transactions that in substance, secure payment or performance of an obligation but may not have been previously legally classified as securities (referred to as "in-substance" security interests), including transactions that were not regarded as securities under the law that existed prior to the introduction of the PPSA. Further, certain other interests are deemed to be security interests whether or not they secure payment or performance of an obligation. These deemed security interests include assignments of certain monetary obligations.

A person who holds a security interest under the PPSA will need to register (or otherwise perfect) the security interest to ensure that the security interest (within a limited period of time) has priority over competing interests (and in some cases, to ensure that the security interest survives the insolvency of the grantor). If they do not do so:

(a) another security interest may take priority;

(b) another person may acquire an interest in the assets which are subject to the security interest free of their security interest; or

(c) they may not be able to enforce the security interest against a grantor who becomes insolvent (for example, because the security interest may vest in the grantor).

The Transaction Documents contain security interests for the purposes of the PPSA. For example, the assignment of the mortgage loans will be a deemed security interest and the Trustee will need to register a financing statement in connection with that security interest. The

Security Trustee will also need to register a financing statement in respect of the Charge under the Security Trust Deed. The Trustee and the Security Trustee will make such registrations upon the direction of the Manager.

There is uncertainty on aspects of the implementation of the PPSA regime because the PPSA has significantly altered the law relating to secured transactions. There are issues and ambiguities in respect of which a market view or practice will evolve over time.

## 3.31 European Union Securitisation Due Diligence and Retention Rules

European Union ("**EU**") legislation comprising Regulation (EU) 2017/2402 (as amended, the "**EU Securitisation Regulation**") and certain related regulatory technical standards, implementing technical standards and official guidance (together, the "**EU Due Diligence and Retention Rules**") imposes certain restrictions and obligations with regard to securitisations (as such term is defined for purposes of the EU Securitisation Regulation). The EU Due Diligence and Retention Rules are in force throughout the EU (and are expected also to be implemented in the non-EU member states of the European Economic Area ("**EEA**")) in respect of securitisations the securities of which were issued (or the securitisation positions of which were created) on or after 1 January 2019.

The EU Due Diligence and Retention Rules impose certain requirements (the "**EU Transaction Requirements**") with respect to originators, original lenders, sponsors and securitisation special purpose entities ("**SSPEs**") (as each such term is defined for the purposes of the EU Securitisation Regulation). Although the EU Securitisation Regulation does not so state (and therefore there is no certainty on this point), on the basis of certain provisions of the EU Securitisation Regulation and other considerations, certain market participants take the view that the EU Transaction Requirements apply only to entities which are established in the EU or subject to specified financial regulation in the EU ("**EU Obliged Entities**").

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

(a) a requirement under Article 6 of the EU Securitisation Regulation that the originator, the original lender or the sponsor of a securitisation commits to retain, on an ongoing basis, a material net economic interest in the relevant securitisation of not less than 5% in respect of certain specified credit risk tranches or asset exposures (the "**EU Retention Requirement**");

(b) a requirement under Article 7 of the EU Securitisation Regulation that the originator, sponsor and SSPE of a securitisation make available to holders of a securitisation position, EU competent authorities and (upon request) potential investors certain prescribed information (the "**EU Transparency Requirements**"); and

(c) a requirement under Article 9 of the EU Securitisation Regulation that originators, sponsors and original lenders of a securitisation apply to exposures to be securitised the same sound and well-defined criteria for credit-granting which they apply to non-securitised exposures, and have effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting its obligations under the credit agreement (the "**EU Credit-Granting Requirements**").

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

None of Commonwealth Bank of Australia, the Manager or the Trustee is an EU Obliged Entity.

*EU Investor Requirements*

In addition, investors should be aware that Article 5 of the EU Securitisation Regulation, places certain conditions (the "**EU Investor Requirements**") on investments in securitisations by "institutional investors" (as such term is defined for purposes of the EU Securitisation Regulation) and certain affiliates of such institutional investors (each an "**EU Institutional Investor**"). EU Institutional Investors include (subject to certain conditions and exceptions): (a) a credit institution or an investment firm as defined in and for purposes of Regulation (EU) No 575/2013, as amended, known as the Capital Requirements Regulation (the "**CRR**") (or a consolidated affiliate thereof, as provided by Article 14 of the CRR), (b) an insurance undertaking or a reinsurance undertaking as defined in Directive 2009/138/EC, as amended, (c) an alternative investment fund manager as defined in Directive 2011/61/EU that manages or markets alternative investment funds in the EU, (d) an undertaking for collective investment in transferable securities ("**UCITS**") management company, as defined in Directive 2009/65/EC, as amended, or an internally managed UCITS, which is an investment company that is authorised in accordance with that Directive and has not designated such a management company for its management, and (e) an institution for occupational retirement provision ("**IORP**") falling within the scope of Directive (EU) 2016/2341, or an investment manager or an authorised entity appointed by an IORP as provided in that Directive.

The EU Investor Requirements are applicable regardless of whether there is an EU Obliged Entity party to the relevant securitisation.

The EU Investor Requirements provide that prior to investing in (or otherwise holding an exposure to) a securitisation, an EU Institutional Investor other than the originator, sponsor or original lender must, among other things: (a) verify that, where the originator or original lender is established in a third country (that is, not within the EU or the EEA), the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness, (b) verify that, if established in a third country, the originator, sponsor or original lender retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5%, determined in accordance with Article 6 of the EU Securitisation Regulation, and discloses the risk retention to institutional investors, (c) verify that the originator, sponsor or **SSPE** has, where applicable, made available the information required by Article 7 of the EU Securitisation Regulation (which sets out transparency requirements for originators, sponsors and SSPEs) in accordance with the frequency and modalities provided for in Article 7, and (d) carry out a due-diligence assessment in accordance with the EU Due Diligence and Retention Rules which enables the EU Institutional Investor to assess the risks involved, considering at least (i) the risk characteristics of the securitisation position and the underlying exposures, and (ii) all the structural features of the securitisation that can materially impact the performance of the securitisation position.

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

and maintaining records of the foregoing verifications and due diligence and other relevant information.

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

Certain aspects of the EU Transaction Requirements and the EU Investor Requirements are to be further specified in regulatory technical standards to be adopted by the European Commission as delegated regulations. Such regulatory technical standards have not yet been adopted by the European Commission or published in final form. It remains unclear, in certain respects, what will be required for EU Institutional Investors to demonstrate compliance with the EU Investor Requirements.

In addition, there is a relative level of uncertainty at the current time as to the precise format of certain reporting and provision of information requirements under Article 7 of the EU Securitisation Regulation, particularly with respect to the reporting of certain loan-level data.

Notwithstanding that it is not an EU Obliged Entity, on the Closing Date and afterwards for so long as any Notes remain outstanding, Commonwealth Bank of Australia will, as an "originator" (as such term is defined in the EU Securitisation Regulation), retain and hold a material net economic interest of not less than 5% in this securitisation transaction in accordance with the text of Article 6(1) of the EU Securitisation Regulation (the "**EU Retention**"). As at the Closing Date, the EU Retention will be in the form of a retained interest in at least 100 randomly selected exposures equivalent (in total) to no less than 5% of the nominal value of the securitised exposures (where such non-securitised exposures would otherwise have been included in this securitisation transaction) in accordance with Article 6(3)(c) of the EU Securitisation Regulation.

Commonwealth Bank of Australia will undertake (in each case with reference to the EU Due Diligence and Retention Rules as in effect on the Closing Date):

(a) to retain and hold the EU Retention on an ongoing basis;

(b) not to utilise or enter into any credit risk mitigation techniques or any other hedge, or sell, transfer or otherwise surrender all or part of the rights, benefits or obligations arising from the EU Retention, except as permitted by the EU Due Diligence and Retention Rules;

(c) not to change the manner, form or the method of calculation of its net economic interest in which it retains the EU Retention (as described above), except as permitted by the EU Due Diligence and Retention Rules; and

(d) to confirm or cause to be confirmed the status of its compliance with paragraphs (a), (b) and (c) above (in each periodic report provided to Noteholders).

***Other requirements***

Commonwealth Bank of Australia will also give representations, warranties and further undertakings with respect to the EU Securitisation Regulation, as follows:

(a) Commonwealth Bank of Australia, as originator, will undertake to use reasonable endeavours to make available (or to procure that the Manager must make available) (x) to Noteholders, (y) upon request of a Noteholder or a competent authority

designated pursuant to Article 29 of the EU Securitisation Regulation, to such a competent authority and (z) upon request, to potential investors (provided, in relation to the provision of loan level data to a Noteholder or a potential investor under sub-paragraph (i) below, that person has agreed to confidentiality arrangements with respect to such information on terms acceptable to Commonwealth Bank of Australia):

(i) loan level data (on at least a quarterly basis) in relation to the Mortgage Loans held by the Trustee. The material referred to in this paragraph will be made available at the latest one month after the end of the period the report covers and will be in such format and scope as Commonwealth Bank of Australia may determine from time to time;

(ii) the Transaction Documents and this Information Memorandum. The material referred to in this paragraph shall be made available before pricing of the Notes;

(iii) investor reports (on at least a quarterly basis) containing the following information:

A. all materially relevant data on the credit quality and performance of Mortgage Loans held by the Trustee;

B. information on events which trigger changes in the priority of payments or the replacement of any counterparties, and data on the cash flows generated by the Mortgage Loans held by the Trustee and by the liabilities of the securitisation; and

C. information about the risk retained, including information on which of the modalities provided for in Article 6(3) of the EU Securitisation Regulation has been applied, in accordance with Article 6 of the EU Securitisation Regulation.

The material referred to in this paragraph shall be made available at the latest one month after the end of the period the report covers; and

(iv) information as to any significant event such as:

A. a material breach of the obligations provided for in the Transaction Documents, including any remedy, waiver or consent subsequently provided in relation to such a breach;

B. a change in the structural features that can materially impact the performance of the securitisation;

C. a change in the risk characteristics of the securitisation or of the Mortgage Loans held by the Trustee that can materially impact the performance of the securitisation; and

D. any material amendment to the Transaction Documents; and

(b) with reference to Article 9(1)(b) of the EU Securitisation Regulation, Commonwealth Bank of Australia as originator will represent, warrant and undertake that:

(i) it has applied and will apply to the Mortgage Loans to be acquired by the Trustee, the same sound and well-defined criteria for credit-granting which it has applied to non-securitised mortgage loans;

(ii) it will apply the same clearly established processes for approving and, where relevant, amending, renewing and refinancing credits held by the Trustee; and

(iii) it has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting his obligations under the credit agreement.

Information about the origination and servicing procedures of Commonwealth Bank of Australia in connection with the approval, amendment, renewing and financing of credits giving rise to the Mortgage Loans to be included in the Series Trust is set out in Section 7 ("*Commonwealth Bank of Australia Residential Loan Program*") and Section 11 ("*The Servicer*").

***Investors to make their own investigations and seek independent advice***

Except as described above, no party to the securitisation transaction described in this Information Memorandum is required, or intends, to take any action with regard to such transaction in a manner prescribed or contemplated by the EU Due Diligence and Retention Rules, or to take any action for purposes of, or in connection with, compliance by any EU Institutional Investor with any applicable EU Investor Requirement.

Prospective investors should make their own independent investigation and seek their own independent advice (i) as to the scope and applicability of the EU Due Diligence and Retention Rules (and any implementing rules in relation to a relevant jurisdiction); (ii) as to the sufficiency of the information described in this Information Memorandum, and which may otherwise be made available to investors, for the purposes of complying with the EU Due Diligence and Retention Rules; and (iii) as to their compliance with any applicable EU Investor Requirements. None of the Manager, the Trustee, Commonwealth Bank of Australia, Citi, Deutsche Bank, Macquarie or any other party to the Transaction Documents (i) makes any representation that the performance of the undertakings described above, the making of the representations and warranties described above, and the information described in this Information Memorandum, or any other information which may be made available to investors, are or will be sufficient for the purposes of any EU Institutional Investor's compliance with any EU Investor Requirement, (ii) has any liability to any prospective investor or any other person for any insufficiency of such information or any non-compliance by any such person with the EU Due Diligence and Retention Rules or any other applicable legal, regulatory or other requirements, or (iii) has any obligation to provide any further information or take any other steps that may be required by any investor to enable compliance by that EU Institutional Investor to enable compliance by such person with the requirements of any EU Investor Requirement or any other applicable legal, regulatory or other requirements.

Any failure to comply with the EU Due Diligence and Retention Rules may, amongst other things, have a negative impact on the value and liquidity of the Notes, and otherwise affect the secondary market for the Notes.

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

## 3.32 Japanese Risk Retention Rules

On 16 November 2012, the final report titled "Global Developments in Securitisation Regulation") was published by the Board of the International Organization of Securities Commission ("**IOSCO**"), with a recommendation regarding risk retention for securitisation products that jurisdictions should clearly set out the elements of their incentive alignment approach with risk retention being the preferred approach and the applicable legislation, regulation and/or policy guidance should address (i) the party on which obligations are imposed (i.e. direct and/or indirect regime); (ii) permitted forms of risk retention requirements; and (iii) exceptions or exemptions from the risk retention requirements.

In line with IOSCO's recommendation, on 30 April 2015 the Financial Services Agency of Japan ("**JFSA**") amended its guidelines for supervision of Japanese financial institutions, such as banks, insurance companies and financial instruments business operators (securities companies), to add an additional provision that "With respect to securitisation products, when the originator, in structuring the underlying assets, intends to transfer the entirety of the underlying assets to a vehicle of securitisation for securitisation products at the initial stage of such structuring, the risks associated with holding of interest in the relevant securitisation products may be heightened as a result of inappropriate structuring of the underlying assets due to, for example, inadequate analysis of the investments. As such, it is desirable that the originator will continue to retain part of the risks associated with such securitisation products. In view of this, it should be verified whether it has been confirmed that the originator will continue to retain part of the risks associated with the securitisation products and, in cases where the originator will not continue to so retain, whether in-depth analysis has been made as to the status of the originator's involvement in the underlying assets and the quality of such assets".

On 15 March 2019, JFSA published another set of new Japanese risk retention rules (the "**New Japanese Risk Retention Rules**") as part of the regulatory capital regulation of certain categories of Japanese financial institutions including banks and other depositary institutions, bank holding companies, ultimate parent companies of large securities companies designated by JFSA and certain other financial institutions regulated in Japan seeking to invest in securitisation transactions (collectively, the "**Japanese Affected Investors**"). The New Japanese Risk Retention Rules became applicable to the Japanese Affected Investors on 31 March 2019; provided that the risk weighting for securitisation exposure held by a Japanese Affected Investor on 31 March 2019 shall not be subject to the application of the new Japanese risk retention rule insofar as such Japanese Affected Investor continues such holding.

The New Japanese Risk Retention Rules require, under the indirect regime, the Japanese Affected Investors to apply an increased risk weighting (i.e., three times higher than that otherwise applied to compliant securitisation exposure (capped at 1,250%)) to securitisation exposure they hold for regulatory capital purposes unless either:

(a) they can confirm that any of the following conditions is satisfied by the relevant originator:

  (i) such originator holds each of the tranches of the securitisation exposure in the relevant securitisation transaction equally (except that such part of credit risk that is not effectively borne by the originator by way of hedging such credit risk or other method shall be deemed not to be held, hereinafter the same) and the total amount of relevant exposure is at least 5% of the aggregate amount of exposure of the underlying assets in such transaction;

  (ii) it holds the most junior tranche in the securitisation exposure in the relevant securitisation transaction and the total amount of relevant exposure is at least

5% of the aggregate amount of exposure of the underlying assets in such transaction;

(iii) in the event that the most junior tranche in the securitisation exposure in the relevant securitisation transaction is less than 5%, it holds the whole of such tranche and each of the tranches (other than such most junior tranche) equally and the total amount of the relevant exposure is at least 5% of the aggregate amount of exposure of the underlying assets in such transaction; or

(iv) by continuously holding the securitisation exposure in such securitisation transaction, the credit risk borne by such originator is found to be at least equivalent to the credit risk satisfying any of the conditions mentioned above; or

(b) they can determine that the underlying assets were not "inappropriately originated", based on the situations of the originator's involvement in the underlying assets, the quality of the underlying assets or any other circumstances.

With respect to paragraph (b) above, JFSA has indicated that by way of example the following case (among other indicated cases) falls within the category described in paragraph (b) above: in the event that receivables, etc. composing the underlying assets for a securitisation product are randomly selected among a pool of assets containing many claims, etc. (excluding securitised products) and the originator holds the whole of claims, etc. (other than such underlying assets) on a continuing basis (or the originator holds certain claims, etc. on a continuing basis which are selected randomly at the same time when claims constituting the underlying assets are selected among the pool of assets), the credit risk to be borne by the originator is at least 5% of the entire exposure of such pool of assets. For such claims, etc. to be so randomly selected, it is necessary to confirm the sufficient amount and quality of such claims, etc. JFSA states that in terms of such amount the pool of assets generally is required to contain at least 100 claims, etc. while in terms of quality it should be structured that claims, etc. with specific characteristics would not concentrate on those to be held by the originator when selecting claims, etc. among those to constitute the underlying assets of a securitisation product and those to held by the originator.

Commonwealth Bank of Australia, as originator, will retain a material net economic interest of not less than 5% of the securitised exposures as at the Closing Date which interest will be comprised of certain randomly selected exposures held on the balance sheet of Commonwealth Bank of Australia (the "**Retained Pool**"). As at the Closing Date, the Retained Pool will comprise more than 100 randomly selected exposures and bear similar characteristics to the securitised exposures in accordance with the New Japanese Risk Retention Rules (with reference to paragraph (b) above).

Prospective Japanese Affected Investors should make their own independent investigation and seek their own independent advice (i) as to the scope and applicability of the New Japanese Risk Retention Rules; (ii) as to the sufficiency of the information described in this Information Memorandum and (iii) as to the compliance with the New Japanese Risk Retention Rules in respect of the transactions contemplated by this Information Memorandum. None of the Trustee, Commonwealth Bank of Australia, Citi, Deutsche Bank, Macquarie or any other party to a Transaction Document makes any representation that the information described in this Information Memorandum is sufficient in all circumstances for such purposes.

### 3.33 Effects of other financial regulatory measures

In addition to the EU Due Diligence and Retention Rules detailed above in Section 3.31 ("*European Union Securitisation Due Diligence and Retention Rules*") and the New Japanese

Risk Retention Rules detailed above in Section 3.32 ("*Japanese Risk Retention Rules*"), there are other domestic and international measures for increased or revised regulation (including with respect to regulatory capital treatment) of mortgage backed securities (such as the Notes) which are currently at various stages of implementation.

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

## 3.34 Other regulatory developments

There is currently an environment of heightened scrutiny by the Australian Government and various Australian regulators on the Australian financial services industry. An example of industry-wide scrutiny that may lead to future changes in laws, regulation or policies, is the establishment of a Royal Commission to inquire into misconduct by financial service entities (including the Commonwealth Bank of Australia group).

The Royal Commission was established on 14 December 2017 and was authorised to inquire into misconduct by financial service entities (including the Commonwealth Bank of Australia group). Seven rounds of hearings into misconduct in the banking and financial services industry were held throughout 2018, covering a variety of topics including consumer and business lending, financial advice, superannuation, insurance and a policy round. The Royal Commission's final report was delivered on 1 February 2019. The final report included 76 policy recommendations to the Australian Government and findings in relation to the case studies investigated during the hearings, with a number of referrals being made to regulators for misconduct by financial institutions, which has resulted in heightened levels of enforcement action across the industry including key regulators investigating all matters raised by the Royal Commission.

The 76 recommendations covered many of the Commonwealth Bank of Australia's business areas, and also canvassed the role of the regulators and the approach to be taken to customer focus, culture and remuneration. The recommendations regarding the role of regulators, in particular ASIC's 'why not litigate' approach for breaches of financial services law will likely lead to a change in Commonwealth Bank of Australia's regulator relationships and Commonwealth Bank of Australia is seeing an increase in investigation and litigation activity which could potentially have a cumulative effect on costs and reputation. Commonwealth Bank of Australia released a statement to the ASX on 8 March 2019 welcoming the final report and committing to actions to deliver on the recommendations.

At this time there remains uncertainty as to how the recommendations of the Royal Commission will be implemented into law or carried into practice and the effects that these measures, if implemented, and the general heighted scrutiny of the Australian financial services industry, will have on asset-backed securities such as the Notes. However, it is possible that such developments could have an adverse impact on the value and liquidity of the Notes or the ability of the transaction parties to perform their obligations in relation to the Series Trust.

## 3.35 Foreign Account Tax Compliance

The Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act ("**FATCA**") establish, in an effort to assist the United States Internal Revenue Service ("**IRS**") in enforcing U.S. taxpayer compliance, a due diligence, reporting and withholding regime.

Under FATCA, a 30% withholding may be imposed (i) in respect of certain U.S. source income and (ii) in respect of "foreign passthru payments" (a term which is not yet defined under FATCA), which are, in each case, paid to or in respect of entities that fail to meet certain certification or reporting requirements or do not comply with FATCA ("**FATCA Withholding**").

The Trustee and other financial institutions through which payments on the Notes are made may be required to withhold on account of FATCA. A withholding may be required if (i) an investor does not provide information sufficient for the Trustee or the relevant financial institution to determine whether the investor is subject to FATCA Withholding or (ii) a foreign financial institution ("**FFI**") to or through which payments on the Notes are made is a "non-participating FFI".

FATCA Withholding is not expected to apply if, in respect of foreign pass-thru payments only, the Notes are treated as debt for U.S. federal income tax purposes and the Notes are issued on or before the date that is six months after the date on which final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register (the "grandfathering date") provided that the Notes are not materially modified after the grandfathering date.

In any event, FATCA Withholding is not expected to apply on payments made before the date that is two years after the date on which final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register.

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

Australian financial institutions which are "Reporting Australian Financial Institutions" under the IGA must follow specific due diligence procedures. In general, these procedures seek to identify their account holders (e.g. the Noteholders) and provide information about financial accounts held by U.S. persons and recalcitrant account holders to the Australian Taxation Office ("**ATO**"). The ATO is required to provide such information to the IRS.

Depending on the nature of the relevant FFI, FATCA Withholding may not be required from payments made with respect to the Notes other than in certain prescribed circumstances.

The Noteholders may be requested to provide certain certifications and information to the Series Trust and/or the Trustee and any other financial institutions through which payments on the Notes are made in order for the Series Trust and/or the Trustee and such other financial institutions to comply with their FATCA obligations. If a payment to a Noteholder is subject to withholding as a result of FATCA, there will be no "gross up" (or any additional amount) payable by way of compensation to the holder for the deducted amount. Additionally, if a payment to the Series Trust is subject to withholding as a result of FATCA, there will be no optional redemption of the Notes.

FATCA is particularly complex legislation. Each Noteholder should consult its own tax advisor to obtain a more detailed explanation of FATCA and the IGA and to learn how they might affect such holder in its particular circumstance.

### 3.36 Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("**CRS**") requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. The Australian Government has enacted legislation amending, among

other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS. As a result of these amendments, reporting financial institutions are required to obtain certifications from accountholders in respect of new accounts, including investment in certain securities. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement.

### 3.37 Insolvency Law Reform

On 18 September 2017, the Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017 (Cth) ("**TLA Act**") received Royal Assent.

The TLA Act enacted reform (known as "**ipso facto**") which varies the enforceability of certain contractual rights against Australian companies which are subject to one of the following insolvency-related procedures ("**Applicable Procedures**"):

- an application for or a scheme of arrangement for the purpose of avoiding being wound up in insolvency:
- the appointment of a managing controller (that is, a receiver or other controller with management functions or powers); or
- the appointment of an administrator.

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

In summary:

- *Appointment Trigger:* Any right which triggers for the reason of the appointment of administrators, receivers or the proposal of or an arrangement or compromise to creditors to avoid being wound up in insolvency will not be enforceable.
- *Financial Position Protection:* Any rights which arise for the reason of adverse changes in the financial position of a company which is in administration, has receivers appointed or is proposing or is subject to a scheme to avoid being wound up in insolvency will not be enforceable. That is, the company has protection as a result of adverse changes in its financial position during the Applicable Procedure. Once the Applicable Procedure has ended, the financial position protection also ends (except in limited exceptions where the company is wound up or the Court extends the stay, in which case the financial position protection continues).
- *Anti-Avoidance:* The TLA Act contains very broad anti-avoidance provisions. For example:
  - (i) The TLA Act deems that any contractual provision which is "in substance contrary to" the other stays will also be unenforceable.
  - (ii) Any self-executing provision which is expressed to automatically trigger rights otherwise subject to the stay is unenforceable.

The ipso facto reform came into effect on 1 July 2018. These reforms do not apply to contracts entered into before 1 July 2018. Contracts, agreements or arrangements entered into before 1 July 2023 that are a result of novations or variations of a contract, agreement or arrangement entered into before 1 July 2018 will not be subject to the stay.

The TLA Act provides that contracts, agreements or arrangements prescribed in regulations ("**Regulations**") or rights specified in ministerial declarations ("**Rules**") are not subject to the stay. The Regulations prescribe that a right contained in a kind of contract, agreement or

arrangement that involves a special purpose vehicle, and that provides for securitisation, is not subject to the stay.

There are still issues and ambiguities in relation to the stay, in respect of which a market view or practice will evolve over time. The scope of the ipso facto reform and its potential effect on the Transaction Documents and Notes remains uncertain.

## 3.38 Risks relating to Compounded AONIA

Investors should carefully consider the following matters when making their investment decision with respect to the Notes.

***The use of Compounded AONIA for mortgaged-backed securities is a new development in the Australian market***

The interest rate for the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and an Accrual Period is Compounded AONIA for the relevant Accrual Period plus the margin for that Class of Notes. The interest rate for the Class A1-R Notes (if issued) and an Accrual Period is the Benchmark Rate (which may be Compounded AONIA or a different benchmark rate specified in the Class A1-R Issue Notice) for the relevant Accrual Period plus the margin for that Class of Notes.

Mortgage-backed floating-rate debt securities issued into the Australian domestic capital markets have traditionally accrued interest by reference to the Bank Bill Swap Rate (BBSW) as the applicable benchmark rate.

Compounded AONIA differs from BBSW in a number of material respects, including (without limitation) that Compounded AONIA is a backwards-looking, compounded, risk-free overnight rate derived from the interbank overnight cash rate administered by the Reserve Bank of Australia ("**AONIA**"), whereas BBSW (which is administered by ASX Limited) is expressed on the basis of a forward-looking term and is based on observed bid and offer rates for Australian prime bank eligible securities (which bid and offer rates may incorporate a premium for credit risk). As such, Notes which accrue interest based on Compounded AONIA may have different performance characteristics (including rates of return) when compared to mortgage-backed debt securities that bear interest by reference to BBSW.

Prospective investors should be aware that the market is still developing in relation to AONIA as a reference rate in the capital markets and its adoption as an alternative to BBSW. For example, there may be different approaches and views regarding the methodology for determining AONIA reference rates and whether such rates should be determined on the basis of backwards-looking compounded AONIA rates (such as Compounded AONIA) or forward-looking 'term' AONIA reference rates (which seek to measure the market's forward expectation of an average AONIA rate over a designated term). Accordingly, it is possible that market approaches in relation to mortgage-backed debt securities which reference AONIA develop over time in ways that are different to the methodology to apply in respect of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. It is unclear what effect these developments might have on the price or liquidity of the Notes in the secondary market. In addition, there can be no assurance as to the extent to which a secondary market for mortgage-backed securities which reference AONIA (such as the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes ) will develop in the future or whether such securities will have greater or lesser liquidity than securities which reference BBSW. Any failure of Compounded AONIA, or AONIA as a reference rate generally, to gain market acceptance could adversely affect the return on or value of those Notes and the price and liquidity of those Notes in the secondary market.

Prospective investors should note that, as Compounded AONIA is calculated on a backwards-looking basis, interest on the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes is only capable of being determined at the end of the relevant AONIA Observation Period, and is required to be determined by the Manager on the AONIA Calculation Date that follows the relevant AONIA Observation Period. Accordingly, it may be difficult for investors in those Notes to estimate reliably the amount of interest which will be payable on those Notes, and some investors may therefore be unable or unwilling to trade those Notes, both of which factors could adversely impact the price and liquidity of the Notes in the secondary market. In addition, the manner of adoption or application of AONIA reference rates in the Australian debt capital markets may differ materially compared with the application and adoption of AONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of AONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes.

***The Manager is responsible for determining Compounded AONIA***

The Manager is responsible under the Transaction Documents for the determining Compounded AONIA for each Accrual Period by reference to the AONIA Observation Period commencing prior to the beginning of that Accrual Period. The Manager is required to calculate Compounded AONIA for an Accrual Period on the AONIA Calculation Date in respect of that Accrual Period, which the Manager must then use for the purposes of calculating the interest payable on the Notes in respect of that Accrual Period.

On the AONIA Calculation Date for a given Accrual Period, the Manager may cross-check a proposed Compounded AONIA calculation against the AONIA Realised Rate, provided that the AONIA Realised Rate on that day uses the same methodology by which Compounded AONIA is required to be determined. Any reference by the Manager to the AONIA Realised Rate for the purpose of cross-checking a proposed Compounded AONIA calculation will be merely indicative and the Compounded AONIA as determined by the Manager will (in the absence of manifest error) be final and binding on the Noteholders. Accordingly, in the event of a discrepancy between the Compounded AONIA determined by the Manager and the AONIA Realised Rate, the Compounded AONIA as determined by the Manager will prevail unless the Manager determines the calculated Compounded AONIA contains an error in which case the Manager will adjust the Compounded AONIA to correct that error.

There can be no assurance that a failure by (or the inability of) the Manager to make calculations of Compounded AONIA in a timely manner will not adversely affect the ability of the Trustee to make payments of interest on the Notes on time in accordance with the Transaction Documents.

Prospective investors should note that in the event that Compounded AONIA cannot be determined in accordance with the preceding paragraphs by the Manager for any day during an AONIA Observation Period (for example because of disruptions in the publication of AONIA), the primary fallback for the purposes of calculation of interest for the relevant Accrual Period will involve the substitution of the target rate for AONIA published by the Reserve Bank of Australia ("**RBA**") for AONIA in respect of the relevant day (or relevant Accrual Period, in circumstances where AONIA had not been published for a period of 20 or more Business Days as at any day during the relevant AONIA Observation Period) in calculating Compounded AONIA for the relevant Accrual Period. If Compounded AONIA still cannot be determined for that Accrual Period using this primary fallback procedure (for example because the RBA's target rate for AONIA is not available for any reason), the ultimate fallback for the purposes of calculation of interest for the relevant Accrual Period will result in the interest rate for the last

preceding Accrual Period being used. This may result in the effective application of a fixed rate based on the last time that Compounded AONIA could be calculated.

***Changes to AONIA methodology may affect the price or performance of Notes***

AONIA is currently administered by the RBA and is calculated by the RBA for each relevant business day based on the volume-weighted average of the interest rates observed on all individual transactions for interbank overnight unsecured deposits conducted within the Reserve Bank Information and Transfer System (RITS), which is Australia's high value payment system. Currently, AONIA is typically published on the RBA's website and to market data services at or about 9:30am (Australian Eastern Standard Time) on each day the RITS is open for interbank settlement and is applicable in respect of the RITS business day preceding the day on which it is published.

The RBA may from time to time review matters including the operation of AONIA to determine whether there are structural issues or changes affecting the cash market and whether any changes are required in relation to AONIA. As part of this process, the RBA may adjust its target cash rate and potentially make other changes affecting AONIA.

Any changes by the RBA relating to AONIA (for example, changes to the RBA's target rate for AONIA, the methodology by which AONIA is calculated, the criteria applicable to RITS transaction or the timing related to the publication of AONIA) may affect the rate of interest on the Notes which reference Compounded AONIA and accordingly could affect the return on those Notes to investors and the price and liquidity of those Notes in the secondary market. There can be no assurance regarding the changes that may be made by the RBA which affect AONIA or the methodology for the calculation in the future and the actual effect that this may have on the Notes.

# 4 The Trustee, Commonwealth Bank of Australia, the Manager and the Security Trustee

## 4.1 The Trustee

Perpetual Trustee Company Limited was incorporated on 28 September 1886 as Perpetual Trustee Company (Limited) under the Companies Statute of New South Wales as a public company. The name was changed to Perpetual Trustee Company Limited on 14 December 1971 and the Trustee now operates as a limited liability public company under the Corporations Act. Perpetual Trustee Company Limited is registered in New South Wales and its registered office is at Level 18, 123 Pitt Street, Sydney, Australia.

The principal activities of Perpetual Trustee Company Limited are the provision of trustee and other commercial services. Perpetual Trustee Company Limited is an authorised trustee corporation, and holds an Australian Financial Services Licence under Part 7.6 of the Corporations Act (Australian Financial Services Licence No. 236643).

## 4.2 The Seller

The Commonwealth Bank of Australia was established in 1911 by an Act of Australia's Commonwealth Parliament as a government owned enterprise to conduct commercial and savings banking business. For a period it also operated as Australia's central bank until this function was transferred to the Reserve Bank of Australia in 1959. The process of privatisation of the Commonwealth Bank of Australia was commenced by Australia's Commonwealth Government in 1990 and was completed in July 1996. The Commonwealth Bank of Australia is now a public company listed on the Australian Securities Exchange. Its registered office is at Ground Floor, Tower 1, 201 Sussex Street, Sydney, New South Wales, Australia.

As at 30 June 2019, Commonwealth Bank of Australia had a long term credit rating of AA- (negative outlook) from Fitch Ratings, Aa3 (stable outlook) from Moody's Investor Services and AA- (negative outlook) from S&P and a short term credit rating of F1+ from Fitch Ratings, P-1 from Moody's Investor Services and A-1+ from S&P.

As at 30 June 2019, Commonwealth Bank of Australia and its subsidiaries, on a consolidated International Financial Reporting Standards basis, had total assets of A$976.5 billion, total deposits and other public borrowings of A$636.0 billion and made a net profit attributable to equity holders of the Bank for the full year ended 30 June 2019 of A$8,571 million. Total regulatory capital under Basel III was A$70.1 billion.

The Australian banking activities of the Commonwealth Bank of Australia come under the regulatory supervision of the Australian Prudential Regulation Authority.

For a further description of the mortgage loan business operations of Commonwealth Bank of Australia, see Section 11 ("*The Servicer*").

Commonwealth Bank of Australia's overall procedures for mortgage origination are described in Section 7 ("*Commonwealth Bank of Australia Residential Loan Program*"). Commonwealth Bank of Australia's material role and responsibilities in this transaction as Servicer are described in Section 11 ("*The Servicer*").

Although not incorporated by reference in this Information Memorandum, the annual report, quarterly trading updates and continuous disclosure notices in relation to Commonwealth Bank of Australia are available online at www.asx.com.au.

## 4.3 The Manager

The Manager, Securitisation Advisory Services Pty. Limited, is a wholly owned subsidiary of Commonwealth Bank of Australia. Its principal business activity is the management of securitisation trusts established under Commonwealth Bank of Australia's Medallion Trust Programme and the management of other securitisation programmes and a covered bond programme established by Commonwealth Bank of Australia or its customers. The Manager's registered office is Ground Floor, Tower 1, 201 Sussex Street, Sydney, New South Wales, Australia.

The Manager has obtained an Australian Financial Services License under Part 7.6 of the Australian Corporations Act (Australian Financial Services License No. 241216).

## 4.4 The Security Trustee

The Security Trustee, P.T. Limited, is a wholly owned subsidiary of Perpetual Trustee Company Limited. P.T. Limited is a public company established under the laws of Australia. Perpetual Trustee Company Limited has appointed P.T. Limited to act as its authorised representative under its Australian Financial Services License (Authorised Representative Number 266797). The Security Trustee's registered office is Level 18, 123 Pitt Street, Sydney, Australia. The principal activities of P.T. Limited are the provision of trustee and other commercial services.

# 5 Description of the Series Trust

## 5.1 Commonwealth Bank of Australia Securitisation Trust Programme

Commonwealth Bank of Australia established its Medallion Trust Programme pursuant to the Master Trust Deed for the purpose of enabling Perpetual Trustee Company Limited, as trustee of each trust established pursuant to the Medallion Trust Programme, to invest in pools of assets originated by or purchased from time to time from Commonwealth Bank of Australia, its subsidiaries and/or other persons. The Master Trust Deed provides for the creation of an unlimited number of trusts and may be varied or amended by a Series Supplement in respect of that series trust. The Master Trust Deed establishes the general framework under which trusts may be established from time to time. The Series Trust is established by the Master Trust Deed and the Notice of Creation of Series Trust issued under the Master Trust Deed. The Series Trust is separate and distinct from any other trust established under the Master Trust Deed. The Assets of the Series Trust are not available to meet the liabilities of any other trust and the assets of any other trust are not available to meet the liabilities of the Series Trust.

## 5.2 Series Trust

The detailed terms of the Series Trust are set out in the Master Trust Deed and the Series Supplement.

The Series Supplement, which supplements the general framework under the Master Trust Deed with respect to the Series Trust, does the following:

(a) specifies the details of the Notes;

(b) establishes the cash flow allocation;

(c) sets out the mechanism for the acquisition from Commonwealth Bank of Australia of the pool of Mortgage Loans by the Series Trust and contains various representations and warranties by Commonwealth Bank of Australia in relation to the Mortgage Loans;

(d) contains Commonwealth Bank of Australia's appointment as the initial Servicer of the Mortgage Loans and the various powers, discretions, rights, obligations and protections of Commonwealth Bank of Australia in this role;

(e) contains provisions relating to the beneficial ownership of the Series Trust by the Unitholders; and

(f) specifies a number of ancillary matters associated with the operation of the Series Trust and the Mortgage Loan pool such as the arrangements regarding the operation of the Collections Account, the custody of the title documents in relation to the Mortgage Loans, the fees payable to the Trustee, the Manager and the Servicer, the perfection of the Trustee's title to the Mortgage Loans, the termination of the Series Trust and the limitation on the Trustee's liability.

## 5.3 Transfer of assets between Trusts

The Master Trust Deed provides for the transfer of some or all of the assets of one trust (the "**Disposing Trust**") to another trust (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 the Adjustment Advance to the Disposing Trust on the Assignment Date.

## 5.4 Security Trust

The Security Trustee acts as trustee of the Security Trust for the benefit of Noteholders, and all other Secured Creditors under the terms of the Security Trust Deed. The Security Trustee holds the Charge over the Assets of the Series Trust in favour of the Security Trustee under the Security Trust Deed for the benefit of the Secured Creditors. If an Event of Default occurs under the Security Trust Deed and the Charge is enforced as a result, the Security Trustee, or a receiver appointed by it, will be responsible for realising the Assets of the Series Trust and the Security Trustee will be responsible for distributing the proceeds of realisation to Secured Creditors in the order prescribed under the Security Trust Deed.

# 6 Description of the assets of the Series Trust

## 6.1 Assets of the Series Trust

The Assets of the Series Trust will include the following:

(a) the pool of Mortgage Loans, including all:

(i) principal payments paid or payable on the Mortgage Loans at any time from and after the Cut-Off Date; and

(ii) interest payments and fees payable on the Mortgage Loans before or after the Cut-Off Date (other than the Accrued Interest Adjustment which is to be paid on the first Distribution Date to Commonwealth Bank of Australia as Seller of the Mortgage Loans);

(b) rights under the applicable Mortgage Insurance Policies issued by Genworth Financial Mortgage Insurance Pty Limited and the individual property insurance policies covering the mortgaged properties relating to the Mortgage Loans;

(c) rights under the mortgages in relation to the Mortgage Loans;

(d) rights under the Collateral Securities appearing on the records of Commonwealth Bank of Australia as securing the Mortgage Loans (a "**Collateral Security**" in relation to a Mortgage Loan is any security interest, guaranty, indemnity or other assurance which secures the repayment or payment of that Mortgage Loan and is in addition to the mortgage corresponding to that Mortgage Loan);

(e) amounts on deposit in the accounts established in connection with the creation of the Series Trust and the issuance of the Notes, including the Collections Account (including the Extraordinary Expense Reserve), and any instruments in which these amounts are invested; and

(f) the Trustee's rights under the Transaction Documents.

Mortgage Loans forming part of the Assets of the Series Trust will be acquired by the Trustee from the Seller on the Closing Date using the issue proceeds of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes issued on that day.

## 6.2 The Mortgage Loans

The Mortgage Loan pool to be assigned to the Trustee on the Closing Date consists of 4,883 Mortgage Loans that have an aggregate principal balance outstanding as of 18 November 2019 of approximately A$1,499,999,483.

The Mortgage Loans are secured by registered first ranking mortgages on properties located in Australia. The Mortgage Loans are from Commonwealth Bank of Australia's general residential mortgage product pool and have been originated by Commonwealth Bank of Australia in the ordinary course of its business. Each Mortgage Loan will be one of the types of products described in Section 7.3 ("*Commonwealth Bank of Australia's Product Types*"). Each Mortgage Loan may have some or all of the features described in Section 7.4 ("*Special Features of the Mortgage Loans*"). The Mortgage Loans are either fixed rate or variable rate loans. The mortgaged properties consist of owner-occupied properties and non-owner occupied properties, but do not include mobile homes which are not permanently affixed to the ground, commercial properties or unimproved land.

## 6.3 Other Features of the Mortgage Loans

The Mortgage Loans have the following features.

(a) Interest is calculated daily and charged monthly in arrears.

(b) Payments can be calculated on a monthly, bi-weekly or weekly basis (interest only payments can be made monthly). Payments are made by borrowers using a number of different methods, including cash payments at branches, cheques and in most cases direct debit or automated funds transfer.

(c) They are governed by the laws of one of the following Australian States or Territories:

(i) New South Wales;

(ii) Victoria;

(iii) Western Australia;

(iv) Queensland;

(v) South Australia;

(vi) Northern Territory;

(vii) the Australian Capital Territory; or

(viii) Tasmania.

See Section 7 ("*Commonwealth Bank of Australia Residential Loan Program*") for further details regarding the features of the Mortgage Loans.

## 6.4 Transfer and Assignment of the Mortgage Loans

The Mortgage Loans assigned to the Series Trust on the Closing Date will be specified in a sale notice from the Seller to the Trustee.

The Seller will equitably assign the Mortgage Loans, the mortgages and any collateral securities from time to time appearing in its records as securing those Mortgage Loans, any Mortgage Insurance Policies in relation to the Mortgage Loans and its interest in any insurance policies on the mortgaged properties relating to those Mortgage Loans to the Trustee pursuant to the sale notice. After this assignment, the Trustee will be entitled to the collections, subject to certain exceptions, on the Mortgage Loans the subject of the sale notice.

If the Trustee is actually aware of the occurrence of a Perfection of Title Event which is subsisting then, unless the Manager has issued a Rating Affirmation Notice to the Trustee in relation to such event, the Trustee must declare that a Perfection of Title Event has occurred and the Trustee and the Manager must as soon as practicable take steps to perfect the Trustee's legal title to the Mortgage Loans. These steps will include the lodgement of transfers of the mortgages securing the Mortgage Loans with the appropriate land titles office in each Australian State and Territory. The Trustee will hold at the Closing Date irrevocable powers of attorney from the Seller to enable it to execute such mortgage transfers.

The Seller may in some instances equitably assign to the Trustee a Mortgage Loan secured by an "all moneys" mortgage, which may also secure other financial indebtedness. The Seller will also assign these other loans to the Trustee which will hold these by way of a separate trust for Commonwealth Bank of Australia established under the Series Supplement and known as the

"**CBA Trust**". The other loans are not Assets of the Series Trust. The Trustee will hold the proceeds of enforcement of the related mortgage, to the extent they exceed the amount required to repay the Mortgage Loan, as trustee for the CBA Trust, in relation to that other loan. The mortgage will secure the Mortgage Loan equitably assigned to the Series Trust in priority to that other loan.

Because the Seller's standard security documentation may secure all moneys owing by the provider of the security to the Seller, it is possible that a security held by that Seller in relation to other facilities provided by it could also secure a Mortgage Loan, even though in that Seller's records the particular security was not taken for this purpose. Commonwealth Bank of Australia will only assign to the Trustee in its capacity as trustee of the Series Trust those securities that appear in its records as intended to secure the Mortgage Loans. Other securities which by their terms technically secure a Mortgage Loan, but which were not taken for that purpose, will not be assigned for the benefit of the Noteholders. Notwithstanding the existence of the CBA Trust, the Seller has the right to repurchase any loan that would otherwise become an asset of the CBA Trust at any time after the Closing Date together with the Mortgage Loans that are subject to the same Collateral Security as that other loan. For example, if the Seller proposes to agree to a request by an Obligor for the provision of any loan, credit or other financial accommodation of whatever nature (other than the Mortgage Loan) and, as a result, one or more loans secured by the same Collateral Security as a Mortgage Loan would be held as an asset of the CBA Trust, the Seller may elect to repurchase all loans secured by that Collateral Security (including the Mortgage Loan). The amount payable by the Seller to effect the repurchase of a Mortgage Loan in these circumstances must be equal to the aggregate principal balance plus accrued but unpaid interest and fees owing in respect of the relevant Mortgage Loan as at the date of such payment.

## 6.5 Representations, Warranties and Eligibility Criteria

In relation to each Mortgage Loan being equitably assigned to the Trustee on the Closing Date, the Commonwealth Bank of Australia will make various representations and warranties to the Trustee as of the Cut-Off Date, including in the case of the Seller that:

(a) at the time the Seller entered into the related mortgage, the mortgage complied in all material respects with applicable laws and, as at the Cut-Off Date, the Seller is not aware of any failure by it to comply with the Consumer Credit Legislation (if applicable) in relation to the Mortgage Loan;

(b) at the time the Seller entered into the Mortgage Loan, it did so in good faith;

(c) at the time the Seller entered into the Mortgage Loan, the Mortgage Loan was originated in the ordinary course of that Seller's business and since then that Seller has dealt with the Mortgage Loan in accordance with its servicing guidelines;

(d) at the time the Seller entered into the Mortgage Loan, all necessary steps were taken to ensure that the related mortgage complied with the legal requirements applicable at that time to ensure that the mortgage was a first ranking mortgage, subject to any statutory charges, any prior charges of a body corporate, service company or equivalent, whether registered or not, and any other prior security interests which do not prevent the mortgage from being considered to be a first ranking mortgage in accordance with the servicing standards, secured over land, subject to stamping and registration in due course;

(e) where there is a second or other mortgage in respect of the land the subject of the related mortgage and the Seller is not the mortgagee of that second or other mortgage, the Seller has ensured whether by a priority agreement or otherwise, that the mortgage ranks ahead in priority to the second or other mortgage on enforcement for at least the

principal amount plus accrued but unpaid interest of the Mortgage Loan and such other amount determined in accordance with the servicing guidelines;

(f) at the time the Mortgage Loan was approved, the Seller had received no notice of the insolvency or bankruptcy of the relevant borrower or any notice that the relevant borrower did not have the legal capacity to enter into the relevant mortgage;

(g) the Seller is the sole legal and beneficial owner of that Mortgage Loan and the related securities assigned to the Trustee as trustee of the Series Trust and, to its knowledge, no prior ranking security interest exists in relation to its right, title and interest in the Mortgage Loan and related securities;

(h) each of the relevant mortgage documents, other than any insurance policies in respect of land, which is required to be stamped with stamp duty has been duly stamped;

(i) other than in respect of priorities granted by statute, the Seller has not received notice from any person that it claims to have a security interest ranking in priority to or equal with the security interest held by the Seller and constituted by the relevant mortgage;

(j) except in relation to fixed rate Mortgage Loans or those which can be converted to a fixed rate or a fixed margin relative to a benchmark and applicable laws, binding codes and competent authorities binding on the Seller or as may be otherwise provided in the corresponding mortgage documents, there is no limitation affecting, or consent required from a borrower to effect, a change in the interest rate under the Mortgage Loan;

(k) the terms of the loan agreement in relation to each Mortgage Loan require payments in respect of the Mortgage Loan to be made to the Seller free of set-off unless prohibited by law;

(l) the Mortgage Loan satisfies the following eligibility criteria:

(i) it is from the Seller's general Mortgage Loan pool;

(ii) it is secured by a mortgage over land which has erected on or within it a residential dwelling or unit;

(iii) it is regarded as a "prime" loan and not a "low doc" loan;

(iv) it is a first-ranking mortgage;

(v) it has a loan-to-value ratio based on the outstanding balance of the Mortgage Loan and the most recent valuation of the mortgaged property, at the commencement of business on the Cut-Off Date, less than or equal to 95%;

(vi) the principal amount outstanding, assuming all due payments have been made by the borrower, will not exceed A$1,000,000;

(vii) the borrower is required to repay that loan within 30 years of the Cut-Off Date;

(viii) no payment from the borrower under the Mortgage Loan is in arrears for more than 30 consecutive days;

(ix) it is or has been fully drawn;

(x) the borrower under the Mortgage Loan is not an employee of Commonwealth Bank of Australia who is paying a concessional rate of interest under the Mortgage Loan as a result of that employment; and

(xi) it was advanced, and is repayable, in Australian dollars.

The Trustee has not investigated or made any inquiries regarding the accuracy of these representations and warranties and has no obligation to do so. The Trustee is entitled to rely entirely upon the representations and warranties being correct, unless an officer of the Trustee involved in the day to day administration of the Series Trust is actually aware of any breach.

## 6.6 Breach of Representations and Warranties

If the Seller, the Manager or the Trustee becomes actually aware that a material representation or warranty from the Seller relating to any Mortgage Loan or mortgage was incorrect when given, including that a Mortgage Loan not meeting the eligibility criteria has been included in the Mortgage Loan pool, it must notify the others accompanied by sufficient details to identify the relevant Mortgage Loan and the reason the representation or warranty is incorrect, within 5 Business Days of the Seller, the Manager or the Trustee (as the case may be) becoming so actually aware. Neither the Manager nor the Trustee is under any obligation whatsoever to conduct any investigation in any manner whatsoever to determine whether any representation or warranty was incorrect when given.

If a representation or warranty by the Seller in relation to a Mortgage Loan and the Mortgage Loan Rights is incorrect when given and the Seller or the Manager gives or received notice of this fact not later than 5 Business Days prior to 120 days after the Closing Date, or such longer period as may be agreed between the Trustee, the relevant Seller and the Manager (the "**Prescribed Period**"), and that breach of representation and warranty is not remedied by the Seller (in a manner determined by it) to the satisfaction of the Trustee within 5 Business Days (or such longer period as the Trustee, the Manager and the Seller agree in writing) of the notice being given or received (as the case may be) by the Seller or the Manager, the Seller must pay to the Trustee the principal amount outstanding in respect of that Mortgage Loan and the accrued but unpaid interest in respect of that Mortgage Loan, in each case as at the date that the Seller or the Manager gives or receives notice (as the case may be) and upon such payment the Mortgage Loan Rights relating to that Mortgage Loan will no longer form part of the Assets of the Series Trust and the Trustee's right, title and interest in relation to the relevant Mortgage Loan and Mortgage Loan Rights will be extinguished in favour of the Seller (if a Perfection of Title Event has not occurred in relation to the relevant Mortgage Loans) or the Trustee will automatically hold its entire interest in the Mortgage Loan Rights relating to that Mortgage Loan for the CBA Trust (if a Perfection of Title Event has occurred in relation to the relevant Mortgage Loans).

During the Prescribed Period, the Trustee's sole remedy for any of the representations or warranties relating to a Mortgage Loan being incorrect is the right to require the Seller to remedy the breach (in a manger determined by the Seller) and the right to receive the above payment from the Seller if the Seller fails to remedy that breach to the satisfaction of the Trustee within the remedy period specified above. The Seller has no other liability for any loss or damage caused to the Trustee, any Noteholder or any other person, for any of the representations or warranties being incorrect.

If a representation or warranty by the Seller in relation to a Mortgage Loan is discovered to be incorrect after the last day for giving notices in the Prescribed Period, and that breach is not remedied by the Seller (in a manner determined by it) to the satisfaction of the Trustee within 5 Business Days (or such longer period as the Trustee, the Manager and the Seller agree in writing) of notice of the breach being given or received (as applicable) by the Seller, the Seller must indemnify the Trustee against any costs, damages or loss arising from that breach. The

amount of such costs, damages or loss so determined or agreed must not exceed the principal amount outstanding together with any accrued but unpaid interest and any outstanding fees, in respect of the Mortgage Loan. The amount of the damages must be agreed between the Trustee and the Seller or, failing this, be determined by the Seller's external auditors and is to be paid by the Seller to the Trustee within 7 Business Days of agreement or determination (as the case may be).

The above are the only rights that the Trustee has if a representation or warranty given by the Seller in relation to a Mortgage Loan or its Mortgage Loan Rights is discovered to be incorrect. In particular, this discovery will not constitute a Perfection of Title Event except in the circumstances set out in the definition of Perfection of Title Event in Section 17 ("*Glossary*").

## 6.7 Undertakings by the Seller

Commonwealth Bank of Australia, as the Seller, undertakes to the Trustee and the Manager that it will (among other things):

(a) following the occurrence of a Perfection of Title Event, upon written request by the Trustee, take such action as may be reasonably necessary to preserve and protect the interest of the Trustee in, and the value of, the Mortgage Loan Rights;

(b) notify the Trustee, the Servicer and Commonwealth Bank of Australia (if not the Servicer), of any challenge to the sale of any mortgage loan right by a third party and give written notice to the third party, the Trustee and the court in which any claim was filed, of the Trustee's interest in the mortgage loan rights and reimburse the Trustee for its reasonable costs in maintaining its interest in the Mortgage Loan rights;

(c) take such action as the Servicer reasonably requests to manage, maintain and enforce its Mortgage Loan Rights;

(d) promptly notify the Trustee if it becomes aware of any competing security interest in relation to any Mortgage Loan Rights;

(e) ensure that it retains legal ownership of its Mortgage Loan Rights;

(f) execute such documents as the Trustee will reasonably require to effect the extinguishment of the Trustee's right, title and interest in a Mortgage Loan Right and reimburse the Trustee for the reasonable costs of such extinguishment;

(g) perform its contractual obligations under the mortgage documents, including any obligation to notify a borrower of any change in interest rates;

(h) if any right of set-off is exercised by or against the Seller in respect of any mortgage loan, pay to the Trustee, any benefit accruing to it as a result of the exercise of its right of set-off or the amount of set-off exercised against it; and

(i) not grant any security interest over its interest in any Mortgage Loan Right.

## 6.8 Details of the Mortgage Loan Pool

The information in Appendix A, attached to, and incorporated by reference into this Information Memorandum, sets forth in tabular format various details relating to the Mortgage Loan pool from which the Mortgage Loans proposed to be sold to the Series Trust on the Closing Date will be selected. The information is provided as of 18 November 2019. All amounts have been rounded to the nearest Australian dollar. The sum in any column may not equal the total indicated due to rounding.

Note that these details may not reflect the Mortgage Loan pool as of the Closing Date because the Seller may add additional eligible Mortgage Loans or remove Mortgage Loans.

# 7 Commonwealth Bank of Australia Residential Loan Program

Set out below is a summary of Commonwealth Bank of Australia's residential loan program.

## 7.1 Origination Process

The Mortgage Loans to be assigned to the Series Trust by Commonwealth Bank of Australia comprise a portfolio of variable and fixed rate loans which were originated by Commonwealth Bank of Australia through loan applications from new and existing customers. All Commonwealth Bank of Australia Mortgage Loan applications are sourced from Commonwealth Bank of Australia's branch network, its mobile sales force, retail relationship managers, home loan solutions, its telephone sales operation including video conferencing, approved mortgage brokers, private, business and institutional banking relationship managers and through the internet from Commonwealth Bank of Australia's website at www.commbank.com.au or via NetBank.

## 7.2 Approval and Underwriting Process

When a Mortgage Loan application is received it is processed in accordance with Commonwealth Bank of Australia's approval policies. These policies are monitored and are subject to continuous review by Commonwealth Bank of Australia which, like other lenders in the Australian residential housing loan market, does not divide its borrowers into groups of differing credit quality for the purposes of setting standard interest rates for their residential housing loans. In certain situations discounted interest rates are provided to retain existing borrowers or to attract certain high income individuals. All borrowers must satisfy the appropriate Seller's approval criteria described in this section.

Authorised roles within the Commonwealth Bank of Australia are provided with the authority and accountability to assist customers with the lending application and process. Staff occupying these roles must have necessary skills and knowledge to meet the full financial needs of customers with particular regard to lending products, sales and services, risk management and associated issues. Authorised roles include, but are not limited to, a personal lender, mobile banker, premier banker, home loan solutions and private banker. This authority includes verifying income and property valuations and is supported by published policy, processes and system controls as well as monitoring of applications. This authority is for applications accepted by the scorecard only. Applications scored as refer and those that are not auto-decisioned are assessed by an appropriately authorised staff member in a credit risk analyst role.

Credit risk analysts must be assessed prior to a personal credit approval authority delegation being approved. The credit risk analyst's performance and approval authority is constantly monitored and reviewed by Commonwealth Bank of Australia. This ensures that loans are approved by a credit risk analyst with the proper authority level and that the quality of the underwriting process by each individual lending officer is maintained.

Housing loans processed by Commonwealth Bank of Australia are assessed by either an auto-decision credit scorecard system or manually by a credit risk analyst. Applications that are not approved by the scorecard system are referred to a credit risk analyst holding a personal credit approval authority. A loan will be approved or declined by a credit risk analyst holding the appropriate level of delegation and loans which have higher risk characteristics or does not meet Commonwealth Bank of Australia's normal lending criteria are assessed by a credit risk analyst with higher delegation.

The approval process includes verifying the borrower's application details, assessing their ability to repay the Mortgage Loan and determining the valuation of the mortgaged property.

(a) **Verification of application details**

The verification process involves borrowers providing proof of identity, evidence of income and evidence of savings. For an employed applicant, it includes confirming employment and income levels using evidence such as payslips, salary credits to transaction accounts or tax assessments. For a self-employed or company applicant it includes checking annual accounts and tax assessments. Where applicants are refinancing debts from another financial institution, a check of recent statements of the existing loan is made to determine the regularity of debt payments. The credit history of any existing borrowings from Commonwealth Bank of Australia and any other financial institution is also checked.

(b) **Assessing ability to repay**

Based upon the application, once verified, an assessment is made of the applicant's ability to repay the Mortgage Loan. This is primarily based on the applicant's net servicing position along with any risk factors identified in verifying the applicant's income, savings or credit history. The credit decision is made using one of the following processes.

*(i) Credit scorecard*

A credit scorecard system automatically and consistently applies Commonwealth Bank of Australia's credit assessment rules without relying on the credit experience of the inputting officer. The credit scorecard returns a decision to approve or refer an application. An application is referred by the system if certain risk factors, such as loan size or a negative net servicing position, are present which require the application to be assessed by an experienced credit risk analyst. The credit score determined by this system is based on historical performance data of Commonwealth Bank of Australia's Mortgage Loan portfolio.

*(ii) Credit approval authorities*

Housing loan applications which are not credit scored and those which are referred by the credit scorecard are assessed by a credit risk analyst. Each credit risk analyst is allocated a personal credit approval authority based on their level of experience and past performance. Loans which have certain risk characteristics, such as loan size or a negative net servicing position, are assessed by more experienced credit risk analysts. Commonwealth Bank of Australia monitors the quality of lending decisions and conducts regular audits of approvals.

In addition to the processes described above, all Mortgage Loan applications are also subject to a credit history search of the borrower which is provided by Equifax Inc, formerly known as Veda Advantage Ltd, and prior to that, Baycorp Advantage Ltd.

Borrowers in respect of Mortgage Loans may be natural persons, corporations or trusts. Housing loans to corporations and trusts may be secured, if deemed necessary, by guarantees from directors. Guarantees may also be obtained in other circumstances.

(c) **Valuation of mortgaged property**

For applications which successfully pass the credit decision process, the maximum allowable loan-to-value ratio, being the ratio of the Mortgage Loan amount to the value of the mortgaged property, is calculated and an offer for finance is made conditional upon a satisfactory valuation of the mortgaged property and any other outstanding

conditions being satisfied. The amount of the Mortgage Loan that will be approved for a successful applicant is based on an assessment of the applicant's ability to service the proposed Mortgage Loan and the loan-to-value ratio. For the purposes of calculating the loan-to-value ratio, the value of a mortgaged property in relation to Mortgage Loans Trust has been determined at origination by a qualified professional valuer or, subject to certain risk criteria, a validated owner's estimated value or a contract for the purchase of the mortgaged property, or an Automated Valuation Model. The risk criteria includes limits on the loan amount and the value and geographical location of the security property.

The maximum loan-to-value ratio that is permitted for any loan is determined according to Commonwealth Bank of Australia credit policy and is dependent on the size of the proposed loan, the nature and location of the proposed mortgaged property and other relevant factors. Where more than one mortgaged property is offered as security for a Mortgage Loan, the sum of the valuations for each mortgaged property is assessed against the Mortgage Loan amount sought.

The Commonwealth Bank of Australia's formal loan offer with the loan security documentation is printed at the point of sale by the loan originator or in some cases sent by one of the Commonwealth Bank of Australia's loan processing centres to borrowers for acceptance and execution. After acceptance and execution, the documentation, together with signed acknowledgement that all non-documentary conditions of approval have been met, is returned by the business unit to the loan processing centre authorising settlement and funding of the Mortgage Loan to proceed. In certain circumstances, settlement and funding are completed at the business unit level.

One of the conditions of settlement is that the borrower establishes and maintains full replacement general home owner's insurance on the mortgaged property. Some of the Mortgage Loans have home owner's insurance provided by Commonwealth Insurance Limited, a subsidiary of Commonwealth Bank of Australia. However, there is no ongoing monitoring of the level of home owner's insurance maintained by borrowers.

## 7.3 Commonwealth Bank of Australia's Product Types

Set out below is a summary of Commonwealth Bank of Australia's housing loan product types. The products described below apply to all Home Loans both Owner Occupied and Investment Home Loans.

Commonwealth Bank of Australia offers a wide variety of housing loan product types with various features and options that are further described in this section. Market competition and economics may require that Commonwealth Bank of Australia offer new product types or add features to a housing loan which are not described in this section. However, before doing so, Commonwealth Bank of Australia must satisfy the Manager that the additional features would not affect any mortgage insurance policy covering the Mortgage Loans and would not cause a downgrade or withdrawal of the rating of the Notes if those Mortgage Loans remain in the Series Trust.

(a) **Commonwealth Bank of Australia's Standard Variable Rate and Fixed Rate Home Loan/Investment Home Loan**

These types of loans are Commonwealth Bank of Australia's traditional standard mortgage products which consist of standard variable rate and fixed rate options. The standard variable rate product is not linked to any other variable rates in the market. However, it may fluctuate with market conditions. Borrowers may switch to a fixed interest rate at any time as described below in "Switching Interest Rates." Some of the Mortgage Loans will be subject to fixed rates for differing periods.

In addition, some of these loans have an interest rate which is discounted by a fixed percentage to the standard variable rate or fixed rate. These discounts are offered under various packages including but not limited to Wealth Package/Mortgage Advantage package, members of certain professional groups, other high income individuals and borrowers who meet certain loan size requirements.

(b) **Commonwealth Bank of Australia's Extra, Economiser and Rate Saver Home Loan/Investment Home Loan**

These types of loans have a variable interest rate which is not linked to the standard variable rate product and which may fluctuate independently of this and other standard variable rates in the market. These types of loans were introduced by Commonwealth Bank of Australia to allow borrowers who did not require a full range of product features to reduce their interest rate. The interest rate for the Extra, Economiser Home Loan and Rate Saver Home Loan historically has been less than that for the standard variable rate product. In September 2018, the Economiser Home Loan and Rate Saver Home Loans were removed from sale for new fundings, leaving the Extra Variable Rate Loan as the primary basic product available for sale. Of the features described below, at present only those headed "Redraw and Further Advances", "Interest Only Periods", "Repayment Holiday" and "Early Repayment" are available.

However, any such borrowers availing themselves of the "Interest Only Periods" product feature for the Economiser and Rate Saver Home/Investment Home Loans are no longer eligible for the product feature "Redraws and Further Advances". To take advantage of other features borrowers must, with the agreement of Commonwealth Bank of Australia, switch their Mortgage Loan to a Standard Variable Rate Loan, Fixed Rate Loan or Extra Variable Rate Loan product. However, these or other features may in the future be offered to borrowers. There are various minimum borrowing amounts across these product types.

(c) **Commonwealth Bank of Australia No Fee Variable Rate Home Loan**

This type of loan has a variable interest rate which is not linked to the standard variable rate product and which may fluctuate independently of other standard variable rates in the market. This type of loan was introduced by Commonwealth Bank of Australia to provide borrowers with an option for a home loan that did not carry the various fees applicable on other loan types. In September 2018, the No Fee Home Loan was removed from sale from new fundings, leaving the Extra Variable Rate Loan as the primary basic product available for sale. The interest rate for the No Fee Home Loan historically has been less than that for undiscounted standard variable rate products but higher than other basic products with fees.

## 7.4 Special Features of the Mortgage Loans

Each Mortgage Loan may have some or all of the features described in this section. In addition, during the term of any Mortgage Loan, Commonwealth Bank of Australia may agree to change any of the terms of that Mortgage Loan from time to time at the request of the borrower.

(a) **Switching Interest Rates**

Borrowers may elect for a fixed rate, as determined by Commonwealth Bank of Australia to apply to their Mortgage Loan. Previously, this may have been for a period of up to 15 years, however new borrowers may fix their loan repayments for periods of up to 5 years since September 2018. These Mortgage Loans convert to the standard variable interest rate at the end of the agreed fixed rate period unless the borrower elects to fix the interest rate for a further period.

Any variable rate Mortgage Loan of the Series Trust converting to a fixed rate product will automatically be matched by an increase in the fixed rate swaps to hedge the fixed rate exposure.

(b) **Substitution of Security**

A borrower may apply to the Servicer to achieve the following:

(i) substitute a different mortgaged property in place of the existing mortgaged property securing a Mortgage Loan; or

(ii) release a mortgaged property from a mortgage.

If the Servicer's credit criteria are satisfied and another property is substituted for the existing security for the Mortgage Loan, the mortgage which secures the existing Mortgage Loan may be discharged without the borrower being required to repay the Mortgage Loan. The Servicer must obtain the consent of any relevant mortgage insurer to the substitution of security or a release of a mortgage where this is required by the terms of a Mortgage Insurance Policy.

(c) **Redraws and Further Advances**

Each of the variable rate Mortgage Loans allows the borrower to redraw principal repayments made in excess of scheduled principal repayments during the period in which the relevant Mortgage Loan is charged a variable rate of interest. Borrowers may request a redraw at any time subject to meeting certain credit criteria at that time. The borrower may be required to pay a fee to Commonwealth Bank of Australia in connection with a redraw. Currently, Commonwealth Bank of Australia does not permit redraws on fixed rate Mortgage Loans, interest only Economiser and Rate Saver Home Loans/Investment Home Loans. A redraw will not result in the related Mortgage Loan being removed from the Series Trust.

In addition, Commonwealth Bank of Australia may agree to make a further advance to a borrower under the terms of a Mortgage Loan subject to a credit assessment.

Where a further advance does not result in the previous scheduled principal balance of the Mortgage Loan being exceeded by more than one scheduled monthly instalment, the further advance will not result in the Mortgage Loan being removed from the Series Trust. Where a further advance does result in the previous scheduled principal balance of the Mortgage Loan being exceeded by more than one scheduled monthly instalment, Commonwealth Bank of Australia must pay to the Series Trust the principal balance of the Mortgage Loan and accrued and unpaid interest and fees on the Mortgage Loan. If this occurs the Mortgage Loan will be treated as being repaid and will cease to be an Asset of the Series Trust.

A further advance to a borrower may also be made under the terms of another loan or as a new loan. These loans may share the same security as a Mortgage Loan assigned to the Series Trust but will be subordinated upon the enforcement of that security to the Mortgage Loan.

(d) **Repayment Holiday**

A borrower is allowed a repayment holiday where they have taken a Principal and Interest loan option and the borrower has prepaid enough principal to cover the required monthly repayment amount (RMRA) during the holiday period, creating a difference

between the outstanding principal balance of the loan and the scheduled amortised principal balance of the Mortgage Loan. The borrower is not required to make any payments, including payments of interest, until the outstanding principal balance of the Mortgage Loan plus unpaid interest equals the scheduled amortised principal balance and/or a maximum term of 12 months. The failure by the borrower to make payments during a repayment holiday will not cause the related Mortgage Loan to be considered delinquent.

(e) **Early Repayment**

A borrower may incur a fee if an early repayment occurs on either a fixed rate or 1 Year Guaranteed Rate Mortgage Loan. A borrower may also incur break fees if an early repayment or partial prepayment of principal occurs on a fixed rate Mortgage Loan. However, at present fixed rate loans allow for partial prepayment by the borrower of up to A$10,000 in each year of the fixed rate period without any break fees being applicable.

(f) **Combination or "Split" Mortgage Loans**

A borrower may elect to split a Mortgage Loan into separate funding portions which may, among other things, be subject to different types of interest rates. Each part of the Mortgage Loan is effectively a separate loan contract, even though all the separate loans are secured by the same mortgage. A Mortgage Loan which has been split in this manner (and all of the resulting funding portions) may be repurchased from the Series Trust by the Seller as described in Section 11.1(l) ("*Servicing of the Mortgage Loans*"). A loan split may be set up at origination or a borrower may elect to split one loan into two loan accounts at any stage during the life of the loan. In this case the first loan will be repaid by the amount funded onto the second loan account.

(g) **Interest Offset**

Currently, Commonwealth Bank of Australia offers borrowers two interest offset features on certain Home Loan/Investment Home Loan products known as a mortgage interest saver account (MISA) and Everyday Offset under which the interest accrued on the borrower's deposit account is offset against interest on the borrower's Mortgage Loan. To simplify the offset options available to customers, from 16 March 2019 new Mortgage Loan accounts will only be eligible to use the Everyday Offset option as the MISA will be quarantined. Commonwealth Bank of Australia does not actually pay interest to the borrower on the loan offset account, but simply reduces the amount of interest which is payable by the borrower under its Mortgage Loan. The borrower continues to make its scheduled mortgage payment with the result that the portion allocated to principal is increased by the amount of interest offset. Fixed Rate loans receive a partial offset under the MISA arrangement but do not receive any offset with an Everyday Offset arrangement. Commonwealth Bank of Australia will pay to the Series Trust the aggregate of all interest amounts offset in respect of the Mortgage Loans for which it is the Seller. These amounts will constitute Finance Charge Collections for the relevant period.

If, following a Perfection of Title Event, the Trustee obtains legal title to a Mortgage Loan, Commonwealth Bank of Australia will no longer be able to offer an interest offset arrangement for that Mortgage Loan.

(h) **Interest Only Periods**

A borrower may also request to make payments of interest only on his or her Mortgage Loan. If Commonwealth Bank of Australia agrees to such a request it does so conditional upon higher principal repayments or a bulk reduction of principal applying upon expiry of the interest only period so that the Mortgage Loan is repaid within its original term. The interest only period can be extended beyond the initial period providing the total interest only period for the life of the loan does not exceed the following terms:

- Home Loans (owner occupied) - Maximum 5 years
- Investment home loan - Maximum of 10 years in 5 year increments

A full credit assessment is required for a switch from principal and interest to interest only repayments and selected requests to extend interest only payment arrangements within policy limits.

(i) **Special Introductory Rates**

Currently, Commonwealth Bank of Australia may offer borrowers introductory rates for periods of up to four years during which period the rate is either variable or fixed. On the expiry of the introductory offer, these home loans automatically convert to another variable rate with a lower discount from the applicable reference rate.

## 7.5 Additional Features

Commonwealth Bank of Australia may from time to time offer additional features in relation to a Mortgage Loan which are not described in the preceding section or may cease to offer features that have been previously offered and may add, remove or vary any fees or other conditions applicable to such features.

# 8 Description of the Notes

## 8.1 General

The Trustee will issue the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on the Closing Date pursuant to a direction from the Manager to the Trustee to issue such Notes and the terms of, *inter alia*, the Master Trust Deed, the Series Supplement and the Dealer Agreement. The Notes will be governed by the laws of New South Wales. The following summary describes the material terms of those Notes. The summary does not purport to be complete and is subject to the terms and conditions of the Notes and to the terms and conditions of the Master Trust Deed and the other Transaction Documents. Noteholders are bound by, and deemed to have notice of, all the provisions of the Transaction Documents. The Trustee may issue Class A1-R Notes after the Closing Date in accordance with the Series Supplement in the circumstances described in Section 8.21 ("*Refinancing of Class A1 Notes with Class A1-R Notes*").

## 8.2 Form of the Notes

(a) **Security Certificates**

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

If a Security Certificate becomes worn out or defaced, then upon production of it to the Trustee, a replacement will be issued. If a Security 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 Security Certificate will be issued. A fee not exceeding A$10 may be charged by the Trustee for a new Security Certificate.

(b) **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 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 a period 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 will be closed by the Trustee at 3.30 pm (Sydney time) on the second Business Day prior to the payment of entitlements to investors (or on such other Business Day as the Trustee notifies the Noteholders) for the purpose of calculating entitlements to interest and principal on the Notes. The register will re-open at the commencement of business on the Business Day immediately following the day on which such calculation is made. On each Distribution Date, principal and interest payable on the Notes on that Distribution Date will be paid

to those Noteholders whose names appear in the register when the register is closed prior to 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.

(c) **Transfer of Notes**

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

(i) the offer for sale or invitation to purchase to the proposed transferee by the Noteholder:

A. does not require disclosure to investors under Part 6D.2 of the Corporations Act;

B. is not made to a Retail Client; and

C. complies with any other applicable laws in all jurisdictions in which the offer or invitation is made;

(ii) unless lodged with Austraclear as explained in Section 8.2(e) ("*Lodgement of the Notes in Austraclear*"), all transfers of Notes must be effected by a Security Transfer. Security Transfers are available from the Trustee's registry office. Every Security 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 Security Certificate to which it relates.

For the purposes of accepting a Security Transfer, the Trustee is entitled to assume that it is genuine and signed by the transferor and transferee with appropriate authority.

The Trustee is authorised to refuse to register any Security Transfer which is not duly executed or which would result in a contravention of or a failure to observe:

1. the terms of the Master Trust Deed or the Series Supplement; or

2. 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 Security Transfer and its decision is final, conclusive and binding.

A Security Transfer will be regarded as received by the Trustee on the Business Day that the Security Transfer is actually received by the Trustee at the place at which the register is kept. However, if a Security Transfer is actually received by the Trustee after 3.30 pm on a Business Day at which the register is kept, it will be regarded as having been received by the Trustee on the next Business Day. If a Security Transfer is received by the Trustee during any period when the register is closed for any purpose, or on a non-Business Day, the Security Transfer will be regarded as having been received by the Trustee on the first Business Day thereafter on which the register is open.

The Trustee must register the transferee in the register upon receipt (as set out above). The registration in the register of a Security Transfer will constitute passing of title in the Security to the transferee.

For the purpose of making payments of interest or principal on the Notes the Trustee will refer to the register on the second Business Day before the relevant Distribution Date (thus if a Security Transfer is received on the Business Day before a Distribution Date, payments on the immediately following Distribution Date will be made to the transferor).

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

(d) **Marked Security Transfer**

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

(e) **Lodgement of the Notes in Austraclear**

It is intended that the Notes will be lodged in Austraclear after issue. It is also intended that those Notes will be lodged with Austraclear on the basis that they will not be uplifted.

Once the relevant Notes are lodged into the Austraclear system, Austraclear will become the registered holder of those Notes in the register to be maintained by the Trustee. While those Notes remain in the Austraclear system:

(i) all payments and notices required of the Trustee and the Manager in relation to those Notes will be directed to Austraclear;

(ii) all dealings and payments in relation to those Notes within the Austraclear system will be governed by the Austraclear Regulations; and

(iii) 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 ANZ Nominees Limited as nominee of Clearstream, Luxembourg. The rights of a holder of interests in Notes held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominees and the rules and regulations of the Austraclear System. In addition, any transfer of interests in the Notes which are held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the other requirements under Section 8.2(c)(i) (*"Transfer of Notes"*).

(f) **Notices to Noteholders**

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

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

(ii) mail, postage prepaid, to the address of the Noteholders as shown in the register. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the Noteholders actually receive the notice;

(iii) posted on an electronic source approved by the Manager and generally accepted for notices of that type (such as Bloomberg or Reuters);

(iv) distributed through the clearing system in which the Notes are held or any stock exchange on which the relevant Notes are listed; or

(v) e-mail to the email address of the Noteholders as shown in the register. Any notice so e-mailed shall be conclusively presumed to have been duly given, whether or not the Noteholders actually receive the notice.

(g) **Joint Noteholders**

Where Notes are held jointly, only the person whose name appears first in the register will be entitled to be:

(i) issued the relevant Security Certificate and, if applicable, a marked Security Transfer;

(ii) given any notices; and

(iii) paid any moneys due in respect of the Notes except that in the case of payment by cheque, the cheque will be payable to the joint Noteholders.

(h) **Method of Payment**

Any amounts payable by the Trustee to a Noteholder will be paid in Australian dollars and, subject to paragraph 8.2(e) (*"Lodgement of the Notes in Austraclear"*) in relation to Notes lodged in Austraclear, will be paid:

(i) by electronic transfer through Austraclear;

(ii) by payment to a bank account in Australia of the payee nominated by the payee; or

(iii) any other manner specified by the Noteholder and agreed to by the Manager and the Trustee.

## 8.3 Payments on the Notes

Collections in respect of interest and principal will be received during each Collection Period. Collections include the following:

(a) payments of interest, principal, fees and other amounts under the Mortgage Loans, excluding any insurance premiums and related charges payable to Commonwealth Bank of Australia;

(b) proceeds from the enforcement of the Mortgage Loans and mortgages and other securities relating to those Mortgage Loans;

(c) amounts received under the Mortgage Insurance Policy in respect of Mortgage Loans which have the benefit of such Mortgage Insurance Policy;

(d) amounts received from Commonwealth Bank of Australia for breaches of representations or undertakings; and

(e) interest on amounts in the Collections Account (including the Extraordinary Expense Reserve), other than certain excluded amounts, and income received on Authorised Short-Term Investments of the Series Trust, other than certain excluded amounts.

The Trustee will make its payments on a monthly basis on each Distribution Date, including required payments to Noteholders, from collections received during the preceding Collection Period and from amounts received under Support Facilities on or prior to the relevant Distribution Date and from accrued amounts retained in the Collections Account or invested in Authorised Short-Term Investments. Certain amounts received by the Trustee are not available for application to Noteholders on any Distribution Date. These amounts include cash collateral or other posted collateral lodged with the Trustee by a Support Facility Provider (including any Interest Rate Swap Provider Deposit) and interest or other income earned on that cash collateral or other posted collateral.

All amounts that are payable in respect of a Note as a result of the calculations and determinations under the Transaction Documents will be rounded as follows:

(a) principal amounts will be rounded down to the nearest cent; and

(b) interest amounts will be rounded to the nearest cent.

## 8.4 Key Dates and Periods

The following are the relevant dates and periods for the allocation of cashflows and their payments.

| | |
|---|---|
| **Accrual Period** | Each monthly period commencing on and including a Distribution Date and ending on but excluding the next Distribution Date. However, the first and last Accrual Periods for the relevant Notes are as follows:<br>(a) first: the period from and including the Issue Date of the relevant Notes to but excluding the first Distribution Date; and<br>(b) last: the period from and including the Distribution Date immediately preceding the date upon which the relevant Notes are redeemed to but excluding the earlier of the date upon which the relevant Notes are redeemed or deemed to be redeemed (including upon the distributions following termination of the Series Trust or enforcement of the Charge). |
| **AONIA Observation Period** | The period from (and including) the date falling 5 Business Days prior to the first day of an Accrual Period and ending on (but |

excluding) the date falling 5 Business Days prior to the date on which that Accrual Period ends.

| | |
|---|---|
| **Collection Period** | The period from (and including) the first day of a calendar month to (and including) the last day of that calendar month, provided that the first Collection Period will commence on (and include) the Cut-Off Date and will end on (and include) 31 December 2019. |
| **AONIA Calculation Date** | The Business Day immediately following the last day of an AONIA Observation Period. |
| **Determination Date** | The day which is 5 Business Days prior to each Distribution Date. The first Determination Date is 14 January 2020. |
| **Distribution Date** | The 21st day of each calendar month, or if the 21st day is not a Business Day, the next Business Day unless that day falls in the next calendar month, in which case, the date is brought forward to the first preceding Business Day. The first Distribution Date is 21 January 2020 |

**Example Calendar**

| | |
|---|---|
| Cut-Off Date | 18 November 2019 |
| Collection Period | Cut-Off Date to 31 December 2019 |
| Accrual Period | 5 December 2019 to 20 January 2020 |
| AONIA Observation Period | 28 November 2019 to 14 January 2020 (excluding the last day 14 January 2020) |
| AONIA Calculation Date | 14 January 2020 |
| Determination Date | 14 January 2020 |
| Distribution Date | 21 January 2020 |
| Collection Period | 1 January 2020 to 31 January 2020 |
| Accrual Period | 21 January 2020 to 20 February 2020 |
| AONIA Observation Period | 14 January 2020 to 14 February 2020 (excluding the last day 14 February 2020) |
| AONIA Calculation Date | 14 February 2020 |
| Determination Date | 14 February 2020 |
| Distribution Date | 21 February 2020 |
| Collection Period | 1 February 2020 to 29 February 2020 |

| | |
|---|---|
| Accrual Period | 21 February 2020 to 22 March 2020 |
| AONIA Observation Period | 14 February 2020 to 16 March 2020 (excluding the last day 16 March 2020) |
| AONIA Calculation Date | 16 March 2020 |
| Determination Date | 16 March 2020 |
| Distribution Date | 23 March 2020 |

## 8.5 Determination of the Available Income Amount

Payments of interest, fees and amounts otherwise of an income nature, including payments of interest on the Notes, are made from the Available Income Amount.

The "**Available Income Amount**" for a Determination Date and the following Distribution Date means the aggregate of (without double counting):

(a) the "**Finance Charge Collections**" for the preceding Collection Period which are the following amounts received by or on behalf of the Trustee during that Collection Period:

(i) all amounts received in respect of interest, fees, government charges and other amounts due under or in respect of the Mortgage Loans (including proceeds of liquidation of the Mortgage Loan following enforcement) but not including principal and any insurance premiums and related charges payable to Commonwealth Bank of Australia;

(ii) all amounts of interest in respect of the Mortgage Loans to the extent that the obligation to pay is discharged by a right of set-off or right to combine accounts; and

(iii) break costs, but only to the extent that these are not paid to the Interest Rate Swap Provider under the relevant swap transaction;

(b) the "**Mortgage Insurance Income Proceeds**" for that Determination Date. These are amounts received by the Trustee under the Mortgage Insurance Policies which the Manager determines should be accounted for on that Determination Date in respect of a loss of interest, fees, charges and certain property protection and enforcement expenses on a Mortgage Loan which has the benefit of a Mortgage Insurance Policy;

(c) any Extraordinary Expense Reserve Draw due to be made on that Distribution Date in order to pay or reimburse Extraordinary Expenses incurred during the immediately preceding Collection Period;

(d) any net amounts receivable by the Trustee under any Interest Rate Swap Agreement on the immediately following Distribution Date (other than, for avoidance of doubt, any Interest Rate Swap Provider Deposit or other collateral posted in accordance with an Interest Rate Swap Agreement and any interest or distributions earned on those funds or other collateral, as applicable);

(e) any other amounts receivable by the Trustee from a Support Facility Provider under a Support Facility (other than under any Interest Rate Swap Agreement, the Redraw

Facility Agreement or the Liquidity Facility Agreement) on or prior to the immediately following Distribution Date which the Manager determines should be treated as income;

(f) "**Other Income Amounts**" which means:

(i) certain damages or equivalent, including amounts paid by Commonwealth Bank of Australia in respect of breaches of representations or warranties in relation to the Mortgage Loans and any amounts paid by Commonwealth Bank of Australia as Servicer in accordance with Section 11.1(l) ("*Incidental Mortgage Loan Term Extensions and Product Changes*"), in respect of interest or fees on the Mortgage Loans received from the Servicer or Commonwealth Bank of Australia during the preceding Collection Period;

(ii) other damages received by the Trustee during the preceding Collection Period from the Servicer, Commonwealth Bank of Australia or any other person and allocated by the Manager as Other Income Amounts;

(iii) amounts received upon a sale of the Mortgage Loans in respect of interest or fees if the Series Trust terminates as described under Section 9.1 ("*Termination of the Series Trust"*);

(iv) amounts received from the Seller upon a repurchase of a Mortgage Loan by the Seller (as described in Section 6.4 ("*Transfer and Assignment of the Mortgage Loans*") or a repurchase of Mortgage Loans by the Seller on any relevant Distribution Date falling on or after the Call Date (as described in Section 8.22 ("*Optional Redemption of the Notes – on or after the Call Date*")) and in each case which relate to accrued interest on the Mortgage Loans;

(v) interest, if any, on the Collections Account (including the Extraordinary Expense Reserve), and amounts, if any, paid by the Servicer representing interest on collections retained by the Servicer for longer than 5 Business Days after receipt;

(vi) income earned on Authorised Short-Term Investments;

(vii) certain tax credits received by the Trustee during the preceding Collection Period; and

(viii) other receipts in the nature of income, as determined by the Manager, received during the preceding Collection Period,

in each case which have not been previously applied by the Trustee as described in this Section 8 ("*Description of the Notes*");

(g) any Principal Draws due to be made on that Distribution Date in order to meet a Gross Income Shortfall; and

(h) any advance under the Liquidity Facility Agreement due to be made on that Distribution Date in order to meet a Net Income Shortfall or to be applied on that Distribution Date from a Cash Deposit Advance in accordance with the Liquidity Facility Agreement ("**Liquidity Facility Advance**").

## 8.6 Principal Draw

(a) If the Manager determines on any Determination Date that there is a Gross Income Shortfall, the Manager must direct the Trustee to apply a portion of the Available Principal Amount, to the extent that funds are available as described in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date"*) to cover such Gross Income Shortfall in an amount equal to the lesser of (i) the Gross Income Shortfall; and (ii) the Preliminary Principal Amount.

(b) Any application of the Available Principal Amount to cover the amount of a Gross Income Shortfall (a "**Principal Draw**") will be reimbursed out of any Available Income Amount available for this purpose on subsequent Distribution Dates as described in Section 8.9 (*"Payment of the Available Income Amount on a Distribution Date"*).

(c) A "**Gross Income Shortfall**", in relation to a Determination Date, is the amount by which the Required Income Amount for that Determination Date exceeds the Preliminary Income Amount for that Determination Date.

(d) The "**Required Income Amount**", in relation to a Determination Date means:

(i) if, as at the Determination Date (after taking into account the Principal Chargeoffs to be allocated on that Determination Date):

A. there are any unreimbursed Principal Chargeoffs on the Class F Notes, the aggregate of the amounts payable by the Trustee in accordance with Sections 8.9(a) to 8.9(q) (*"Payment of the Available Income Amount on a Distribution Date"*) (inclusive) on the immediately following Distribution Date;

B. there are any unreimbursed Principal Chargeoffs on the Class E Notes, the aggregate of the amounts payable by the Trustee in accordance with Sections 8.9(a) to 8.9(p) (*"Payment of the Available Income Amount on a Distribution Date"*) (inclusive) on the immediately following Distribution Date;

C. there are any unreimbursed Principal Chargeoffs on the Class D Notes, the aggregate of the amounts payable by the Trustee in accordance with Sections 8.9(a) to 8.9(o) (*"Payment of the Available Income Amount on a Distribution Date"*) (inclusive) on the immediately following Distribution Date;

D. there are any unreimbursed Principal Chargeoffs on the Class C Notes, the aggregate of the amounts payable by the Trustee in accordance with Sections 8.9(a) to 8.9(n) (*"Payment of the Available Income Amount on a Distribution Date"*) (inclusive) on the immediately following Distribution Date;

E. there are any unreimbursed Principal Chargeoffs on the Class B Notes, the aggregate of the amounts payable by the Trustee in accordance with Sections 8.9(a) to 8.9(m) (*"Payment of the Available Income Amount on a Distribution Date"*) (inclusive) on the immediately following Distribution Date; or

(ii) if none of sub-paragraphs (i)A to E above apply in relation to that Determination Date, the aggregate of the amounts payable by the Trustee in accordance with Sections 8.9(a) to 8.9(r) (*"Payment of the Available Income*

*Amount on a Distribution Date"*) (inclusive) on the immediately following Distribution Date.

(e) The "**Preliminary Income Amount**", in relation to a Determination Date, means the aggregate of the following:

(i) the Finance Charge Collections for the Collection Period ending on that Determination Date;

(ii) the Mortgage Insurance Income Proceeds for that Determination Date;

(iii) any Extraordinary Expense Reserve Draw to be made on the Distribution Date immediately following that Determination Date;

(iv) the net amounts receivable by the Trustee under any Interest Rate Swap Agreement on the immediately following Distribution Date (other than any Interest Rate Swap Provider Deposit or other collateral posted in accordance with an Interest Rate Swap Agreement and any interest or distributions earned on those funds or other collateral, as applicable);

(v) any other amounts receivable by the Trustee from a Support Facility Provider under any Support Facility (other than any Interest Rate Swap Agreement, the Redraw Facility Agreement or the Liquidity Facility Agreement) which the Manager determines should be accounted for as income; and

(vi) any Other Income Amounts in respect of the Collection Period ending on that Determination Date.

## 8.7 Liquidity Facility Advance

(a) If the Manager determines on any Determination Date (other than during a Cash Deposit Period) that there is a Net Income Shortfall, the Manager must direct the Trustee to make a drawing under the Liquidity Facility Agreement in an amount equal to the lesser of the amount of the Net Income Shortfall and the unutilised portion of the Liquidity Facility Limit, if any.

(b) A "**Net Income Shortfall**" in relation to a Determination Date is the amount by which any Principal Draw to be made on the immediately following Distribution Date is insufficient to meet the Gross Income Shortfall.

(c) If the Liquidity Facility Provider does not have the Designated Credit Rating, the Manager must, if requested by the Liquidity Facility Provider as described in Section 10.8(f) ("*Downgrade of Liquidity Facility Provider*"), prepare and forward to the Trustee a drawdown notice for an amount equal to the Cash Deposit Advance in accordance with the Liquidity Facility Agreement.

## 8.8 Extraordinary Expense Reserve

(a) The Seller agrees to lend to the Trustee an amount equal to the Extraordinary Expense Reserve Required Amount on the Closing Date. The Trustee, at the direction of the Manager, agrees to deposit the Extraordinary Expense Reserve Required Amount received from the Seller into the Collections Account as a sub-ledger known as the "**Extraordinary Expense Reserve**". Further amounts may be deposited into the Extraordinary Expense Reserve from the Available Income Amount on each Distribution Date to the extent required under Section 8.9 ("*Payment of the Available Income Amount on a Distribution Date"*).

(b) If, on any Determination Date, the Manager determines that there are any Extraordinary Expenses in respect of the Accrual Period ending on the immediately following Distribution Date then the Manager must direct the Trustee to (and on such direction the Trustee must) withdraw an amount equal to the lesser of:

(i) the amount of such Extraordinary Expenses on that day; and

(ii) the balance of the Extraordinary Expense Reserve on that day,

from the Extraordinary Expense Reserve on the immediately following Distribution Date ("**Extraordinary Expense Reserve Draw**") and apply such amount towards payment or reimbursement of those Extraordinary Expenses in accordance with Section 8.9 (*"Payment of the Available Income Amount on a Distribution Date"*).

(c) Each Extraordinary Expense Reserve Draw made on any Distribution Date in accordance with paragraph (b) is to be repaid on subsequent Distribution Dates, but only to the extent that there are funds available for this purpose in accordance with Section 8.9 (*"Payment of the Available Income Amount on a Distribution Date"*).

(d) Amounts will only be released from the Extraordinary Expense Reserve:

(i) on a Distribution Date for the purposes of making Extraordinary Expense Reserve Draws as described in paragraph (b) above;

(ii) on the Distribution Date on which all Notes are to be redeemed in full, by releasing any amounts standing to the balance of the Extraordinary Expense Reserve after any Extraordinary Expense Reserve Draw has been made in accordance with paragraph (b), from the Extraordinary Expense Reserve and repaying those amounts to the Seller; and

(iii) following enforcement of the Charge, to apply the balance of the Extraordinary Expense Reserve as described in Section 10.6(k) ("*Priorities under the Security Trust Deed*").

## 8.9 Payment of the Available Income Amount on a Distribution Date

Subject to the following, on each Distribution Date prior to the enforcement of the Charge, the Available Income Amount for that Distribution Date is allocated in the following order of priority:

(a) first, at the Manager's discretion, in or towards payment of A$1 to the Income Unitholder to be dealt with, and held by, the Income Unitholder absolutely;

(b) next, in payment of any Accrued Interest Adjustment due to the Seller;

(c) next, in payment of any taxes in relation to the Series Trust including government charges paid by the Servicer for the Trustee;

(d) next, in payment to the Trustee of the Trustee's fee due on that Distribution Date;

(e) next, in payment to the Security Trustee of the Security Trustee's fee due on that Distribution Date;

(f) next, in payment to the Manager of the Manager's fee due on that Distribution Date;

(g) next, in payment to the Servicer of the Servicer's fee due on that Distribution Date;

(h) next, in payment pari passu and rateably:

(i) to the Liquidity Facility Provider of the Liquidity Facility Commitment Fee payable under the Liquidity Facility Agreement; and

(ii) to the Redraw Facility Provider of the Redraw Facility Commitment Fee payable under the Redraw Facility Agreement;

(i) next, in payment pari passu and rateably towards:

(i) any net amounts payable to the Interest Rate Swap Provider under an Interest Rate Swap Agreement due on that Distribution Date other than any Subordinated Termination Payment;

(ii) interest payable under the Liquidity Facility Agreement on that Distribution Date plus any interest under the Liquidity Facility Agreement remaining unpaid from prior Distribution Dates; and

(iii) interest payable under the Redraw Facility Agreement on that Distribution Date plus any interest under the Redraw Facility Agreement remaining unpaid from prior Distribution Dates;

(j) next, in payment of or to make provision for all expenses of the Series Trust in respect of or due in the Accrual Period ending on that Distribution Date, other than as detailed above or below;

(k) next, in repayment of any outstanding Liquidity Facility Advance made on or prior to the previous Distribution Date;

(l) next, in payment pari passu and rateably, as follows:

(i) if the Distribution Date occurs on or before the Class A1-R Issue Date, to the Class A1 Noteholders, the Class A1 Aggregate Interest Amount for that Distribution Date;

(ii) if the Distribution Date occurs after the Class A1-R Issue Date, to the Class A1-R Noteholders, the Class A1-R Aggregate Interest Amount for that Distribution Date;

(m) next, pari passu and rateably, to the Class A2 Noteholders, the Class A2 Aggregate Interest Amount for that Distribution Date;

(n) next, in payment pari passu and rateably to the Class B Noteholders, the Class B Senior Interest Amount for that Distribution Date;

(o) next, in payment pari passu and rateably to the Class C Noteholders, the Class C Senior Interest Amount for that Distribution Date;

(p) next, in payment pari passu and rateably to the Class D Noteholders, the Class D Senior Interest Amount for that Distribution Date;

(q) next, in payment pari passu and rateably to the Class E Noteholders, the Class E Senior Interest Amount for that Distribution Date;

(r) next, in payment pari passu and rateably to the Class F Noteholders, the Class F Senior Interest Amount for that Distribution Date;

(s) next, to reimburse any unreimbursed Principal Draws for the immediately preceding Distribution Date as an allocation to the Available Principal Amount on that Distribution Date;

(t) next, to reimburse any unreimbursed Principal Chargeoffs for the immediately preceding Determination Date as an allocation to the Available Principal Amount on that Distribution Date;

(u) next, to allocate an amount to the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve is equal to the Extraordinary Expense Reserve Required Amount;

(v) next, in payment pari passu and rateably to the Class B Noteholders, the Class B Residual Interest Amount for that Distribution Date;

(w) next, in payment pari passu and rateably to the Class C Noteholders, the Class C Residual Interest Amount for that Distribution Date;

(x) next, in payment pari passu and rateably to the Class D Noteholders, the Class D Residual Interest Amount for that Distribution Date;

(y) next, in payment pari passu and rateably to the Class E Noteholders, the Class E Residual Interest Amount for that Distribution Date;

(z) next, in payment pari passu and rateably to the Class F Noteholders, the Class F Residual Interest Amount for that Distribution Date;

(aa) next, in payment pari passu and rateably to:

(i) the Liquidity Facility Provider of any other amounts owing under the Liquidity Facility Agreement; and

(ii) the Redraw Facility Provider of any other amounts owing under the Redraw Facility Agreement;

(bb) next, in payment pari passu and rateably of any Subordinated Termination Payments payable to the Interest Rate Swap Provider in accordance with the Interest Rate Swap Agreement;

(cc) next, in payment to the Manager of its monthly arranging fee due on that Distribution Date and any unpaid arranging fee from a prior Distribution Date; and

(dd) next, in payment of the balance of the Available Income Amount to the Income Unitholder.

The Trustee shall only make a payment as above to the extent that any Available Income Amount remains from which to make the payment after amounts with priority to that payment have been paid or provided for in the Collections Account.

## 8.10 Interest on the Notes

(a) **Calculation of interest payable on the Notes**

The period that Notes accrue interest is divided into Accrual Periods.

The first Accrual Period in respect of a Note commences on and includes its Issue Date and ends on but excludes the following Distribution Date. Each subsequent Accrual Period commences on and includes a Distribution Date and ends on but excludes the following Distribution Date.

The final Accrual Period for the Notes ends on, but excludes, the earlier of:

(i) the date upon which the Invested Amount of the relevant Notes is reduced to zero and all accrued interest in respect of the relevant Notes is paid in full;

(ii) the Distribution Date on which the final distributions upon termination of the Series Trust are to be made, as described in Section 9.1 ("*Termination of the Series Trust*"); and

(iii) the date upon which the relevant Notes are otherwise redeemed or are deemed to be redeemed (including following enforcement of the Charge).

Up to, but excluding, the First Possible Class A1 Refinancing Date, the interest rate for the Class A1 Notes for each Accrual Period in respect of the Class A1 Notes will be equal to Compounded AONIA for that Accrual Period plus 1.25%. If the Trustee does not redeem all of the Class A1 Notes on the First Possible Class A1 Refinancing Date (by the issue of Class A1-R Notes, as described in Section 8.21 ("*Refinancing of Class A1 Notes with Class A1-R Notes*"), then the interest rate for the Class A1 Notes for each Accrual Period commencing on or after that date will be equal to Compounded AONIA for that Accrual Period plus 1.50% (such margin, the "**Class A1 Stepped Up Margin**").

Up to, but excluding, the Call Date, the interest rate for the Class A2 Notes for each Accrual Period in respect of the Class A2 Notes will be equal to Compounded AONIA for that Accrual Period plus 1.70%. If the Trustee does not redeem all of the Notes on the Call Date, as described in Section 8.22 ("*Optional Redemption of the Notes*"), then the interest rate for the Class A2 Notes for each Accrual Period commencing on or after that date will be equal to Compounded AONIA for that Accrual Period plus 1.95%.

The interest rate for the Class B Notes for each Accrual Period will be equal to Compounded AONIA for that Accrual Period plus 2.00%. The margin for the Class B Notes will not increase after the Call Date or at any other time.

The interest rate for the Class C Notes for each Accrual Period will be equal to Compounded AONIA for that Accrual Period plus 2.40%. The margin for the Class C Notes will not increase after the Call Date or at any other time.

The interest rate for the Class D Notes for each Accrual Period will be equal to Compounded AONIA for that Accrual Period plus 3.30%. The margin for the Class D Notes will not increase after the Call Date or at any other time.

The interest rate for the Class E Notes for each Accrual Period will be equal to Compounded AONIA for that Accrual Period plus 4.50%. The margin for the Class E Notes will not increase after the Call Date or at any other time.

The interest rate for the Class F Notes for each Accrual Period will be equal to Compounded AONIA for that Accrual Period plus 5.80%. The margin for the Class F Notes will not increase after the Call Date or at any other time.

If Class A1-R Notes are issued, the interest rate for the Class A1-R Notes for each Accrual Period will be equal to the applicable Benchmark Rate for the Class A1-R Notes and that Accrual Period plus the Class A1-R Margin. The margin for the Class A1-R Notes will not increase after the Call Date or at any other time.

With respect to any Distribution Date, interest on a Note will be calculated as the product of:

(i) the Invested Amount of that Note as at the close of business on the first day of that Accrual Period applicable to that Note, after giving effect to any payments of principal made with respect to such Note on such day;

(ii) the interest rate for such Note for that Accrual Period; and

(iii) a fraction, the numerator of which is the actual number of days in the Accrual Period and the denominator of which is 365 days.

Interest will accrue on any unpaid interest in relation to a Note at the interest rate that applies from time to time to that Note until that unpaid interest is paid.

(b) **Calculation of interest**

On the AONIA Calculation Date in respect of each Accrual Period the Manager must determine Compounded AONIA for that Accrual Period.

The Manager must calculate the interest on each Note (other than the Class A1-R Notes, if the Benchmark Rate for the Class A1-R Notes is not Compounded AONIA) using Compounded AONIA.

On the AONIA Calculation Date for a given Accrual Period, the Manager may cross-check a proposed Compounded AONIA calculation against the AONIA Realised Rate, provided that the AONIA Realised Rate on that day uses the same methodology by which Compounded AONIA is required to be determined. Any reference by the Manager to the AONIA Realised Rate for the purpose of cross-checking a proposed Compounded AONIA calculation will be merely indicative. Accordingly, in the event of a discrepancy between the Compounded AONIA determined by the Manager and the AONIA Realised Rate, the Compounded AONIA as determined by the Manager will prevail unless the Manager determines the calculated Compounded AONIA contains an error in which case the Manager will adjust the Compounded AONIA to correct that error.

If Class A1-R Notes are issued and the Benchmark Rate for the Class A1-R Notes is not Compounded AONIA, the Manager must calculate the interest on each Class A1-R Note using the Benchmark Rate for the Class A1-R Notes on the applicable determination dates for that Benchmark Rate.

The determination of Compounded AONIA (or any other Benchmark Rate) by the Manager and the calculation of interest payable in respect of a Note and an Accrual Period will (in the absence of manifest error) be final and binding.

## 8.11 Determination of the Available Principal Amount

Payments of principal, including repayment of principal on the Notes, are made from the Available Principal Amount. The Available Principal Amount for a Determination Date and the following Distribution Date means the aggregate of:

(a) the "**Principal Collections**" for the preceding Collection Period which are all amounts received during the Collection Period in respect of principal on the Mortgage Loans, except as described below, and includes principal to the extent that an obligation to pay principal on a Mortgage Loan is discharged by a right of set-off or right to combine accounts;

(b) the "**Other Principal Amounts**" which are amounts received in respect of principal on the Mortgage Loans including:

(i) all amounts received by the Trustee under a Mortgage Insurance Policy which the Manager determines should be accounted for on the Determination Date in respect of a loss of principal and certain property restoration expenses on a Mortgage Loan;

(ii) proceeds of the liquidation of a Mortgage Loan following enforcement, other than amounts included in Finance Charge Collections, received during the preceding Collection Period;

(iii) principal prepayments under the Mortgage Loans received during the preceding Collection Period;

(iv) certain damages or equivalent, including amounts paid by Commonwealth Bank of Australia in respect of breaches of representations or warranties in relation to the Mortgage Loans and any amounts paid by Commonwealth Bank of Australia as Servicer in accordance with Section 11.1(l) ("*Incidental Mortgage Loan Term Extensions and Product Changes*"), in respect of principal received from the Servicer or Commonwealth Bank of Australia during the preceding Collection Period;

(v) other damages received by the Trustee during the preceding Collection Period from the Servicer, the Seller or any other person and allocated by the Manager as Other Principal Amounts;

(vi) amounts received upon a sale of the Mortgage Loans in respect of principal if the Series Trust terminates as described under Section 9.1 ("*Termination of the Series Trust"*);

(vii) in relation to the first Determination Date, the amount, if any, by which subscription proceeds of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes exceeds the aggregate of the principal outstanding on the Mortgage Loans as at the Cut-Off Date;

(viii) any amount rounded down on payments of principal on the previous Distribution Date;

(ix) any amounts received by the Trustee pursuant to the exercise of its option to redeem the Notes on a Distribution Date falling on or after the Call Date which the Manager determines to represent amounts in respect of principal on the Mortgage Loans up to and including the following Distribution Date and which

have not previously been applied as Available Principal Amount as described in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*");

(x) in the case of the first Determination Date after the Class A1-R Issue Date, any surplus issuance proceeds of Class A1-R Notes remaining after the redemption in full of the Class A1 Notes; and

(xi) any other receipts in the nature of principal as determined by the Manager which have been received by the Determination Date,

in each case which have not been previously applied by the Trustee as described in this Section 8 ("*Description of the Notes*");

(c) the "**Principal Chargeoff Reimbursement**" which is the amount of the Available Income Amount for the Determination Date available to be applied towards unreimbursed Principal Chargeoffs; and

(d) the "**Principal Draw Reimbursement**" which is the amount of the Available Income Amount for the Determination Date available to be applied towards unreimbursed Principal Draws.

The Available Principal Amount available for repayment of (or provision for repayment of) principal to Noteholders will be reduced on any Distribution Date by the amount of any Principal Draw on that Distribution Date allocated to the Available Income Amount, the amount of any Redraw Facility Principal Outstanding repayable to the Redraw Facility Provider and the amount of any unreimbursed Seller Advances by Commonwealth Bank of Australia as described in the following section.

## 8.12 Payment of the Available Principal Amount on a Distribution Date

On each Distribution Date prior to the enforcement of the Charge, the Available Principal Amount for that Distribution Date is allocated in the following order of priority:

(a) first, to be applied as a Principal Draw in relation to the immediately preceding Determination Date and allocated to the Available Income Amount to meet any Gross Income Shortfall;

(b) next, repayment to the Redraw Facility Provider of the Redraw Facility Principal Outstanding until the Redraw Facility Principal Outstanding is reduced to zero;

(c) next, repayment to Commonwealth Bank of Australia of any redraws and further advances under the Mortgage Loans, other than further advances which cause the related Mortgage Loan to be removed from the Series Trust ("**Seller Advance**"), made during or prior to the Collection Period then ended and which are then outstanding;

(d) next, if the Step-Down Conditions have not been satisfied at the immediately preceding Determination Date, to be applied in the following order of priority:

(i) (**Class A1/A1-R Notes**) first, to be applied as follows:

A. if the relevant Distribution Date occurs on or prior to the Class A1-R Issue Date, to the Class A1 Noteholders in or towards repayment of principal in respect of the Class A1 Notes, pari passu and rateably amongst the Class A1 Notes until the Invested Amount of the Class A1 Notes is reduced to zero; and

B. if the relevant Distribution Date occurs after the Class A1-R Issue Date, to the Class A1-R Noteholders in or towards repayment of principal in respect of the Class A1-R Notes, pari passu and rateably amongst the Class A1-R Notes until the Invested Amount of the Class A1-R Notes is reduced to zero;

(ii) (**Class A2 Notes**) next, to the Class A2 Noteholders in or towards repayment of principal in respect of the Class A2 Notes, pari passu and rateably amongst the Class A2 Notes until the Invested Amount of the Class A2 Notes is reduced to zero;

(iii) (**Class B Notes**) next, to the Class B Noteholders in or towards repayment of principal in respect of the Class B Notes, pari passu and rateably amongst the Class B Notes until the Invested Amount of the Class B Notes is reduced to zero;

(iv) (**Class C Notes**) next, to the Class C Noteholders in or towards repayment of principal in respect of the Class C Notes, pari passu and rateably amongst the Class C Notes until the Invested Amount of the Class C Notes is reduced to zero;

(v) (**Class D Notes**) next, to the Class D Noteholders in or towards repayment of principal in respect of the Class D Notes, pari passu and rateably amongst the Class D Notes until the Invested Amount of the Class D Notes is reduced to zero;

(vi) (**Class E Notes**) next, to the Class E Noteholders in or towards repayment of principal in respect of the Class E Notes, pari passu and rateably amongst the Class E Notes until the Invested Amount of the Class E Notes is reduced to zero; and

(vii) (**Class F Notes**) next, to the Class F Noteholders in or towards repayment of principal in respect of the Class F Notes, pari passu and rateably amongst the Class F Notes until the Invested Amount of the Class F Notes is reduced to zero;

(e) next, if the Step-Down Conditions have been satisfied at the immediately preceding Determination Date, to be applied pari passu and rateably:

(i) (**Class A1/A1-R Notes**):

A. if the relevant Distribution Date occurs on or prior to the Class A1-R Issue Date, to the Class A1 Noteholders in or towards repayment of principal in respect of the Class A1 Notes, pari passu and rateably amongst the Class A1 Notes until the Invested Amount of the Class A1 Notes is reduced to zero; and

B. if the relevant Distribution Date occurs after the Class A1-R Issue Date, to the Class A1-R Noteholders in or towards repayment of principal in respect of the Class A1-R Notes, pari passu and rateably amongst the Class A1-R Notes until the Invested Amount of the Class A1-R Notes is reduced to zero;

(ii) (**Class A2 Notes**) to the Class A2 Noteholders in or towards repayment of principal in respect of the Class A2 Notes, pari passu and rateably amongst the

Class A2 Notes until the Invested Amount of the Class A2 Notes is reduced to zero;

(iii) (**Class B Notes**) to the Class B Noteholders in or towards repayment of principal in respect of the Class B Notes, pari passu and rateably amongst the Class B Notes until the Invested Amount of the Class B Notes is reduced to zero;

(iv) (**Class C Notes**) to the Class C Noteholders in or towards repayment of principal in respect of the Class C Notes, pari passu and rateably amongst the Class C Notes until the Invested Amount of the Class C Notes is reduced to zero;

(v) (**Class D Notes**) to the Class D Noteholders in or towards repayment of principal in respect of the Class D Notes, pari passu and rateably amongst the Class D Notes until the Invested Amount of the Class D Notes is reduced to zero;

(vi) (**Class E Notes**) to the Class E Noteholders in or towards repayment of principal in respect of the Class E Notes, pari passu and rateably amongst the Class E Notes until the Invested Amount of the Class E Notes is reduced to zero; and

(vii) (**Class F Notes**) to the Class F Noteholders in or towards repayment of principal in respect of the Class F Notes, pari passu and rateably amongst the Class F Notes until the Invested Amount of the Class F Notes is reduced to zero; and

(f) next, the balance (if any) is to be paid to the Capital Unitholder.

The Trustee shall only make a payment under paragraphs (b) to (f) above to the extent that any Available Principal Amount remains from which to make the payment after amounts with priority to that payment have been paid.

## 8.13 Step-Down Conditions

The Step-Down Conditions will be satisfied on any Determination Date if each of the following conditions are satisfied:

(a) the Determination Date is at least two years after the Closing Date;

(b) the aggregate Invested Amount of all Notes as at that Determination Date (expressed as a percentage of the aggregate Invested Amount of all Notes on the Closing Date) is greater than 10%;

(c) the aggregate Invested Amount of all of the Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes as at that Determination Date expressed as a percentage of the aggregate Invested Amount of all of the Class A1 Notes, the Class A1-R Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on that Determination Date is at least 16%;

(d) the Delinquent Percentage in relation to the immediately preceding Collection Period is less than 4% of all Mortgage Loans then forming part of the Assets of the Series Trust on that Determination Date;

(e) there are no Principal Chargeoffs which remain unreimbursed on any Note;

(f) there are no unreimbursed Principal Draws as at that Determination Date; and

(g) there are no Liquidity Facility Advances or interest in respect of such advances which remain outstanding under the Liquidity Facility Agreement.

## 8.14 Payments from Collections Account

The payments referred to in this Section 8 ("*Description of the Notes*") are to be made by the Trustee out of the Collections Account.

## 8.15 Receipt of Funds

The Trustee is only taken to be in receipt of funds in relation to the Series Trust to the extent that those funds are cleared. Without limiting any other provision of any Transaction Document, the Trustee will not be taken to be fraudulent, negligent or in wilful default as a result of a failure to make any payments in accordance with a Transaction Document due to it not being in receipt of cleared funds at the time of payment. For the avoidance of doubt, such amounts will continue to be due and payable in accordance with the Transaction Documents.

## 8.16 Redraws and Further Advances

Commonwealth Bank of Australia (as Seller) may make redraws and further advances to borrowers under the Mortgage Loans, provided those Mortgage Loans are not non-performing loans. Commonwealth Bank of Australia is entitled to be reimbursed by the Trustee for redraws and further advances which exceed the scheduled principal balance of the Mortgage Loan by no more than one scheduled monthly instalment on the Mortgage Loan. Where Commonwealth Bank of Australia makes further advances which exceed the scheduled principal balance of a Mortgage Loan by more than one scheduled monthly instalment, then Commonwealth Bank of Australia is required to repurchase the Mortgage Loan from the pool. If Commonwealth Bank of Australia makes a further advance on a Mortgage Loan that is a non-performing loan which does not exceed the scheduled principal balance of the Mortgage Loan by more than on scheduled monthly instalment on the Mortgage Loan, it is not required to repurchase the Mortgage Loan from the pool but must indemnify the Trustee for certain losses that are not recoverable by the Trustee pursuant to a Mortgage Insurance Policy.

If the Commonwealth Bank of Australia as Seller makes a redraw or further advance for which it is entitled to be reimbursed and notifies the Manager of the amount of that redraw or further advance:

(a) if Commonwealth Bank of Australia is also the Servicer, Commonwealth Bank of Australia may apply an amount from collections held by it before depositing collections into the Collections Account; or

(b) if Commonwealth Bank of Australia is not the Servicer or if Commonwealth Bank of Australia notifies the Manager that it cannot or chooses not to, apply collections to reimburse itself for redraws and further advances, the Manager must direct the Trustee to pay Commonwealth Bank of Australia that amount from collections held by the Trustee in the Collections Account,

in each case in reimbursement of any such redraw or further advance.

However, collections may be applied as described above if, and only if:

(a) Commonwealth Bank of Australia or the Trustee, as applicable, has sufficient such collections to be able to make the reimbursement; and

(b) the Manager confirms to the Trustee that it is satisfied on a reasonable basis that the estimated Principal Collections for the Collection Period in which the day of application falls exceed the aggregate of:

(i) the amount of that reimbursement;

(ii) any other reimbursement of redraws and further advances made to Commonwealth Bank of Australia during that Collection Period; and

(iii) any Principal Draw anticipated by the Manager to be required on the Determination Date immediately following that Collection Period.

If the Trustee receives a direction from the Manager to apply collections to reimburse Commonwealth Bank of Australia for redraws and further advances as outlined above, the Trustee must pay Commonwealth Bank of Australia the amount so directed and will be entitled to assume that the Manager has complied with the above conditions in giving that direction.

If collections cannot be applied in respect of relevant redraws and further advances because the conditions above are not satisfied, the Manager may prepare and forward to the Trustee a drawdown notice requesting a Redraw Facility Advance for an amount equal to the lesser of the Redraw Shortfall and the amount which is available for drawing under the Redraw Facility, which notice must also specify the calculations used in determining the advance so requested. If the Trustee receives such a drawdown notice from the Manager the Trustee must sign and deliver that drawdown notice to the Redraw Facility Provider pursuant to, and by the time required under, the Redraw Facility Agreement.

The Trustee must apply the proceeds of any Redraw Facility Advance towards repaying any redraws or permitted further advances made by Commonwealth Bank of Australia during a Collection Period that remain unreimbursed.

To the extent that, after any Redraw Facility Advance has been applied, any Seller Advances made by Commonwealth Bank of Australia during a Collection Period remain unreimbursed as at the Distribution Date immediately following the end of that Collection Period, Commonwealth Bank of Australia will be entitled to be reimbursed from the Available Principal Amount in accordance with Section 8.12 ("*Payment of the Available Principal Amount of a Distribution Date*").

## 8.17 Principal Chargeoffs

In certain circumstances the risk that amounts will be unrecoverable under a Mortgage Loan will be borne by the investors. In these circumstances, the Stated Amount of a Note will be reduced to the extent of amounts which are unrecoverable under a Mortgage Loan. That reduction of the Stated Amount of a Note is referred to as a Principal Chargeoff.

(a) **Application of Principal Chargeoffs**

If on a Determination Date the Manager determines that a principal loss should be accounted for in respect of a Mortgage Loan, after taking into account proceeds of enforcement of that Mortgage Loan and its securities, any relevant payments under the Mortgage Insurance Policy or damages from the Servicer or Commonwealth Bank of Australia, that principal loss will be allocated in the following order:

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

(ii) next, once the Stated Amount of the Class F Notes has been reduced to zero, pari passu and rateably amongst the Class E Notes until the Stated Amount of the Class E Notes is reduced to zero;

(iii) next, once the Stated Amount of the Class E Notes has been reduced to zero, pari passu and rateably amongst the Class D Notes until the Stated Amount of the Class D Notes is reduced to zero;

(iv) next, once the Stated Amount of the Class D Notes has been reduced to zero, pari passu and rateably amongst the Class C Notes until the Stated Amount of the Class C Notes is reduced to zero;

(v) next, once the Stated Amount of the Class C Notes has been reduced to zero, pari passu and rateably amongst the Class B Notes until the Stated Amount of the Class B Notes is reduced to zero;

(vi) next, once the Stated Amount of the Class B Notes has been reduced to zero, pari passu and rateably amongst the Class A2 Notes until the Stated Amount of the Class A2 Notes is reduced to zero; and

(vii) next, once the Stated Amount of the Class A2 has been reduced to zero, pari passu and rateably amongst the Class A1 Notes and the Class A1-R Notes until the Stated Amount of the Class A1 Notes and the Class A1-R Notes is reduced to zero.

To the extent allocated, the principal loss will reduce the Stated Amount of the Notes as from the following Distribution Date, but may reimbursed as described in the following paragraph.

(b) **Reimbursements of Principal Chargeoffs**

Principal Chargeoffs may be reimbursed on a Distribution Date where there is any excess Available Income Amount after payment in accordance with the order of priority set out in paragraphs (a) to (s) of Section 8.9 (*"Payment of the Available Income Amount on a Distribution Date"*). Reimbursement of Principal Chargeoffs will only occur to the extent that there are unreimbursed Principal Chargeoffs and will be allocated in the following order:

(i) first, pari passu and rateably amongst the Class A1 Notes and the Class A1-R Notes until the unreimbursed Principal Chargeoffs of the Class A1 Notes and the Class A1-R Notes are reduced to zero

(ii) next, pari passu and rateably amongst the Class A2 Notes until the unreimbursed Principal Chargeoffs of the Class A2 Notes are reduced to zero;

(iii) next, pari passu and rateably amongst the Class B Notes until the unreimbursed Principal Chargeoffs of the Class B Notes are reduced to zero;

(iv) next, pari passu and rateably amongst the Class C Notes until the unreimbursed Principal Chargeoffs of the Class C Notes are reduced to zero;

(v) next, pari passu and rateably amongst the Class D Notes until the unreimbursed Principal Chargeoffs of the Class D Notes are reduced to zero;

(vi) next, pari passu and rateably amongst the Class E Notes until the unreimbursed Principal Chargeoffs of the Class E Notes are reduced to zero; and

(vii) next, pari passu and rateably amongst the Class F Notes until the unreimbursed Principal Chargeoffs of the Class F Notes are reduced to zero.

If a Principal Chargeoff is determined by the Manger to arise on a Determination Date and there is insufficient excess Available Income Amount to reimburse that Principal Chargeoff on the immediately following Distribution Date in accordance with this paragraph, the remaining amount of the Principal Chargeoff will be carried forward until reimbursed on a subsequent Distribution Date as described in this paragraph. A reimbursement of a Principal Chargeoff on a Note will increase the Stated Amount of that Note but the actual funds allocated in respect of the reimbursement will be distributed as described in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date"*) above.

## 8.18 Partial Redemption of the Notes on Distribution Dates

On each Distribution Date until the Invested Amount of the Notes is reduced to zero, the Trustee must apply the Available Principal Amount towards repayment of principal on the Notes in the order of priority described in Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*").

## 8.19 Withholding or Tax Deductions

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature (including, but not limited to, any FATCA Withholding) unless the Trustee for the Notes is required by applicable law to make such a withholding or deduction. In that event the Trustee must account to the relevant authorities for the amount so required to be withheld or deducted. The Trustee will not be obliged to make any additional payments to holders of the Notes with respect to that withholding or deduction.

## 8.20 Optional redemption of the Class A1 Notes on or after the First Possible Class A1 Refinancing Date

On any Distribution Date on or after the First Possible Class A1 Refinancing Date (if there are any Class A1 Notes outstanding on such date), the Trustee may (and must if so directed by the Manager) issue Class A1-R Notes and apply the proceeds to redeem all of the Class A1 Notes, as described in Section 8.21 ("*Refinancing of Class A1 Notes with Class A1-R Notes*");

At any time before the First Possible Class A1 Refinancing Date, the Manager may, in its absolute discretion, arrange, on behalf of the Trustee, for the marketing of the issuance of Class A1-R Notes in accordance with Section 8.21 ("*Refinancing of Class A1 Notes with Class A1-R Notes*") with:

(a) an aggregate Initial Invested Amount (which must be denominated in Australian dollars) equal to the Invested Amount of the Class A1 Notes as at that Determination Date (plus any additional amount necessary for parcels of Class A1-R Notes to be issued);

(b) the relevant Benchmark Rate being Compounded AONIA or such alternative benchmark rate as determined by the Manager; and

(c) the proposed Issue Date to occur on the First Possible Class A1 Refinancing Date.

If the Manager is unable to arrange for the issuance of Class A1-R Notes on the First Possible Class A1 Refinancing Date in accordance with Section 8.21 ("*Refinancing of Class A1 Notes with Class A1-R Notes*") on or before the First Possible Class A1 Refinancing Date, the

Manager may (at its discretion) arrange, on behalf of the Trustee, for such issue of Class A1-R Notes on any Subsequent Class A1 Refinancing Date.

If the Call Date has occurred, or is expected to occur on the relevant Distribution Date, the Manager's obligations and rights described in the preceding paragraphs of this Section 8.20 are subject to any rights the Seller may have under the Transaction Documents to repurchase the Mortgage Loans on the relevant Distribution Date as described in Section 10.12 ("*Clean-Up*") and the corresponding right of the Trustee to redeem the Notes as described in Section 8.22 ("*Optional Redemption of the Notes – on or after the Call Date*").

## 8.21 Refinancing of Class A1 Notes with Class A1-R Notes

(a) The following paragraphs describe the process that is to apply if the Manager has elected to arrange for the marketing and issuance of Class A1-R Notes on the First Possible Class A1 Refinancing Date or on a Subsequent Class A1 Refinancing Date as outlined in Section 8.20 ("*Optional redemption on or after the First Possible Class A1 Refinancing Date*").

(b) The Manager may, at its cost, appoint such advisors, arrangers or dealers as it sees fit to assist with the issuance of the Class A1-R Notes.

(c) The Manager agrees to issue a Rating Affirmation Notice in respect of the issuance of the Class A1-R Notes prior to the issuance of the Class A1-R Notes.

(c) If the Manager is able to arrange for Class A1-R Notes to be issued by the Trustee on the First Possible Class A1 Refinancing Date or the relevant Subsequent Class A1 Refinancing Date (as applicable) (such date being the "**Class A1-R Issue Date**"):

(i) with an interest rate which results in a margin over the Benchmark Rate that is less than the Class A1 Stepped Up Margin (if the Benchmark Rate is Compounded AONIA) or such other margin which is acceptable to the Manager (if the Benchmark Rate is not Compounded AONIA);

(ii) with the same credit rating from each Rating Agency as the Class A1 Notes on the Class A1-R Issue Date;

(iii) with an aggregate Initial Invested Amount equal to the Invested Amount of the Class A1 Notes on the Determination Date immediately prior to the Class A1-R Issue Date (plus any additional amount necessary for parcels of Class A1-R Notes to be issued); and

(iv) in accordance with the public offer test outlined in Section 128F of the Income Tax Assessment Act 1936,

the Manager will direct the Trustee in writing (copied to each Rating Agency) to issue those Class A1-R Notes on the relevant Class A1-R Issue Date. Such direction must be accompanied by a notice from the Manager to the Trustee (a "**Class A1-R Issue Notice**") which specifies the Initial Invested Amount of each Class A1 Note, the aggregate Initial Invested Amount of all Class A1-R Notes, the Benchmark Rate for the Class A1-R Notes, the margin for the Class A1-R Notes ("**Class A1-R** Margin") and any other details required under the Transaction Documents to be included in such Class A1-R Issue Notice.

(d) For the purposes of the issuance of Class A1-R Notes:

(i) the Trustee (at the direction of the Manager) and the Security Trustee (at the request of the Manager) may, on or prior to the Class A1-R Issue Date, without any requirement for consent by any Noteholders, agree to any amendments of a technical, administrative or operational nature (including amendments to the methodology, timing and frequency of determining rates, the process of making payments of interest and other administrative matters) to the Master Trust Deed (as it applies to the Series Trust), the Series Supplement, the Security Trust Deed or any other Transaction Document:

A. which the Manager considers necessary to provide for the calculation and payment of interest on the Class A1-R Notes according to the Benchmark Rate for the Class A1-R Notes (if the Benchmark Rate is not Compounded AONIA) and the Trustee and the Security Trustee (as applicable) may rely conclusively on a certificate from the Manager that the Manager has formed the view that the amendments are necessary for these purposes; and

B. which do not change the timing or priority of payments of principal or interest under the Transaction Documents in respect of any other Class of Notes or the timing or priority of payments of any other Secured Moneys to any Secured Creditors; and

C. in respect of which the Manager has issued a Rating Affirmation Notice; and

(ii) the Trustee (at the direction of the Manager) may enter into any additional Transaction Documents (including any Interest Rate Swap Agreement or additional swap transaction under the Interest Rate Swap Agreement) in respect of which the Manager has issued a Rating Affirmation Notice.

(e) On the Class A1-R Issue Date, the Trustee agrees to deposit the proceeds of the issuance of the Class A1-R Notes issued on that date into the Collections Account and apply the issuance proceeds of those Class A1-R Notes on the Class A1-R Issue Date towards redeeming the Class A1 Notes, with any surplus amount to be included in the Available Principal Amount for distribution on the next Distribution Date after the Class A1-R Issue Date.

(f) The Trustee may not issue Class A1-R Notes (and the Manager must not direct the Trustee to issue Class A1-R Notes) unless the issue proceeds of those Class A1-R Notes are sufficient to redeem the Class A1 Notes in full and the conditions in paragraph (c) above are satisfied.

## 8.22 Optional Redemption of the Notes – on or after the Call Date

The Manager (at its option) may direct the Trustee to (and the Trustee must, when so directed) redeem all (but not some) of the outstanding Notes at their then Invested Amounts, subject to the following, together with accrued but unpaid interest to, but excluding, the date of redemption, on any Distribution Date occurring on or after the Call Date.

The Trustee may, in exercising its option to redeem all of the Notes, redeem the then outstanding Notes of a Class at their Stated Amounts instead of at their Invested Amounts, together with accrued but unpaid interest to but excluding the date of redemption. However, for each Class of Notes, redemption at the Stated Amount must be approved by an Extraordinary Resolution of Noteholders of the relevant Class. The Trustee will not, and the Manager will not direct the Trustee to, redeem the Notes as described unless the Trustee is in a position on the relevant Distribution Date to repay the then Invested Amounts or the Stated Amounts, as required, of

the Notes together with all accrued but unpaid interest to but excluding the date of redemption and to discharge all its liabilities in respect of amounts which are required under Sections 8.9 ("*Payment of the Available Income Amount on a Distribution Date*") and 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*") be paid in priority to or equally with the Notes.

### 8.23 Redemption of the Notes upon an Event of Default

If an Event of Default occurs under the Security Trust Deed the Security Trustee must, upon becoming aware of the Event of Default and subject to certain conditions, in accordance with an Extraordinary Resolution of Voting Secured Creditors and the provisions of the Security Trust Deed, enforce the security created by the Security Trust Deed. That enforcement can include the sale of some or all of the Mortgage Loans. Any proceeds from the enforcement of the security will be applied in accordance with the order of priority of payments as set out in the Security Trust Deed. That enforcement can include the sale of some or all of the Mortgage Loans. Any proceeds from the enforcement of the security will be applied in accordance with the order or priority of payments as set out in the Security Trust Deed.

### 8.24 Final Maturity Date

Unless previously redeemed, the Trustee must redeem the Notes by paying the Invested Amount, together with all accrued and unpaid interest, in relation to each Note on or by the Distribution Date falling in January 2052.

### 8.25 Redemption upon Final Payment

Upon final payment being made in respect of any Notes following termination of the Series Trust or enforcement of the Charge, those Notes will be deemed to be redeemed and discharged in full and any obligation to pay any accrued but unpaid interest, the Stated Amount or the Invested Amount in relation to the Notes will be extinguished in full.

### 8.26 No Payments of Principal in Excess of Invested Amount

No amount of principal will be repaid in respect of a Note in excess of its Invested Amount or, in the circumstances described in Section 8.22 ("*Optional Redemption of the Notes – on or after the Call Date*"), its Stated Amount.

# 9 Termination of the Series Trust

## 9.1 Termination of the Series Trust

(a) **Termination of Series Trust**

Following the issue of the Notes, the Series Trust may only terminate prior to the redemption of the Notes if a Potential Termination Event occurs and:

(i) the Trustee determines that in its reasonable opinion the Potential Termination Event has or will have an Adverse Effect, upon which it must promptly notify the Manager, the Servicer and the Security Trustee;

(ii) the Servicer, the Trustee and the Manager consult and use their reasonable endeavours, in consultation with the Security Trustee and, if necessary, the Unitholders, to amend or vary the terms of the Series Supplement, any other relevant Transaction Documents and the Notes in such a way so as to cure the Potential Termination Event or its Adverse Effect; and

(iii) such consultations do not result in the cure of the Potential Termination Event or its Adverse Effect, with the consent of the Servicer, the Trustee, the Manager and the Security Trustee, within 60 days of notice being given by the Trustee as described above.

If this occurs then the Trustee, in consultation with the Manager, must proceed to liquidate the Assets of the Series Trust in accordance with the Series Supplement.

(b) **Sale of Mortgage Loans Upon Termination**

Upon 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 Date. During this period the Trustee is not entitled to sell the Mortgage Loans and their related securities, Mortgage Insurance Policies and other rights ("**Mortgage Loan Rights**") for less than the aggregate Fair Market Value of the Mortgage Loans. If the Trustee is unable to sell the Mortgage Loan Rights for Fair Market Value and on those terms during the 180 day period, it may then sell them free of the restrictions and may perfect its legal title if necessary to obtain Fair Market Value for the Mortgage Loans. However upon such a sale the Trustee must use reasonable endeavours to include as a condition of the sale that a purchaser will agree to Commonwealth Bank of Australia taking second mortgages in order to retain second ranking security for the other loans secured by the mortgage and to entering into a priority agreement to give Commonwealth Bank of Australia second priority for its second mortgage and to use reasonable endeavours to obtain the consent of the relevant borrowers and security providers to Commonwealth Bank of Australia's second mortgage.

(c) **Offer to Seller**

On the Termination Date, the Trustee may, at the direction of the Manager, offer to extinguish in favour of the Seller, its entire right, title and interest in the Mortgage Loan Rights then forming part of the Assets of the Series Trust in return for a payment to the Trustee of an amount equal to at least the aggregate Fair Market Value of the Mortgage Loans.

(d) **Acceptance by Seller of Offer**

The Seller may verbally accept any offer to purchase any Mortgage Loan Rights in accordance with this Section 9.1 (*"Termination of the Series Trust"*) within 90 days after the Termination Date and, having accepted the offer, must pay to the Trustee, in immediately available funds, an amount equal to at least the aggregate Fair Market Value of the Mortgage Loans by the expiration of 180 days after the Termination Date. If the Seller accepts such offer, the Trustee must execute whatever documents the Seller reasonably requires to complete the extinguishment of the Trustee's right, title and interest in the Mortgage Loan Rights then forming part of the Assets of the Series Trust.

(e) **Seller may not accept**

The Seller may not accept an offer to purchase any Mortgage Loan Rights in accordance this Section 9.1 (*"Termination of the Series Trust"*) unless the aggregate principal outstanding on the Mortgage Loans is on the last day of the preceding Collection Period, when expressed as a percentage of the aggregate principal outstanding of all Mortgage Loans in the Series Trust at the Closing Date, at or below 10%.

(f) **Trustee must not sell**

The Trustee must not sell any Mortgage Loan Rights unless the Seller has failed to accept the offer referred to in paragraph (c) above within 90 days after the termination date or, having accepted the offer, has failed to pay the required amount by the expiration of 180 days after the termination date.

(g) **Payments**

The Trustee must deposit the proceeds of realisation of the Assets of the Series Trust into the Collections Account and, following the realisation of all the Assets of the Trust, must distribute them on a Distribution Date in accordance with the order of priority described in Section 8.9 (*"Payment of the Available Income Amount on a Distribution Date"*) and Section 8.12 (*"Payment of the Available Principal Amount on a Distribution Date"*). Upon final payment being made, the Notes will be deemed to be redeemed and discharged in full and the obligations of the Trustee with respect to the payment of principal, interest or any other amount on the Notes will be extinguished.

# 10 Description of the Transaction Documents

The following summary describes the material terms of the Transaction Documents except as already described above. The summary does not purport to be complete and is subject to the provisions of the Transaction Documents. The Transaction Documents are governed by the laws of New South Wales (or the Australian Capital Territory, in the case of the Master Trust Deed).

## 10.1 Collections Account and Authorised Short-Term Investments

The Trustee will establish and maintain the Collections Account with an Eligible Depository. The Collections Account will initially be established with Commonwealth Bank of Australia, which is described in Section 4.2 ("*The Seller*"). The Collections Account shall be opened by the Trustee in its name and in its capacity as trustee of the Series Trust. The Collections Account will not be used for any purpose other than for the Series Trust. The account will be an interest bearing account. Further, if the Servicer ceases to have certain minimum ratings, other requirements may apply as described further in Section 11.1(h) ("*Collections*").

If the financial institution with which the Collections Account is held ceases to be an Eligible Depository the Trustee (or the Manager on its behalf) must, within 60 days (or such longer period in respect of which the Manager has provided to the Trustee a Rating Affirmation Notice in respect of each Rating Agency) establish a new account with an Eligible Depository as a replacement Collections Account.

The Collections Account and all rights to it and the funds standing to its credit from time to time is an asset of the Series Trust. At all times the Collections Account will be under the sole control of the Trustee. The Manager has the discretion to propose to the Trustee, in writing, the manner in which any moneys forming part of the Series Trust may be invested in Authorised Short-Term Investments and what purchases, sales, transfers, exchanges, realisations or other dealings with Assets of the Series Trust shall be effected and when and how they should be effected. Provided that they meet certain requirements, the Trustee must give effect to the Manager's proposals. Each investment of moneys required for the payment of liabilities of the Series Trust shall be in Authorised Short-Term Investments that will mature on or before the due date for payment of those liabilities.

## 10.2 Modifications of the Master Trust Deed and Series Supplement

The Trustee and the Manager, with respect to the Master Trust Deed, and the Trustee, the Manager, the Seller and the Servicer, with respect to the Series Supplement, may amend, add to or revoke any provision of the Master Trust Deed or the Series Supplement (as applicable), subject to the limitations described below, if the amendment, addition or revocation:

(a) in the opinion of the Trustee is necessary to correct a manifest error or is of a formal, technical or administrative nature only;

(b) in the opinion of the Trustee, or of a lawyer instructed by the Trustee, is necessary or expedient to comply with the provisions of any law or regulation or with the requirements of the government of any jurisdiction or any governmental agency;

(c) in the opinion of the Trustee is required by, a consequence of, consistent with or appropriate or expedient as a consequence of an amendment to any law or regulation or altered requirements of the government of any jurisdiction or any governmental agency, including, an amendment, addition or revocation which in the opinion of the Trustee is appropriate or expedient as a result of an amendment to Australia's tax laws or any ruling by the Australian Commissioner or Deputy Commissioner of Taxation or any governmental announcement or statement, in any case which has or may have the effect

of altering the manner or basis of taxation of trusts generally or of trusts similar to any of the Medallion Trust Programme trusts;

(d) in the case of the Master Trust Deed, relates only to a Medallion Trust Programme trust not yet constituted;

(e) in the opinion of the Trustee, 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.

Any amendment, addition or revocation referred to in the last two of the above paragraphs which in the opinion of the Trustee is likely to be prejudicial to the interests of:

(i) a Class of Unitholders, may only be effected if those Unitholders pass a resolution by a majority of not less than 75% of the votes at a meeting approving the amendment, addition or revocation or all such Unitholders sign a resolution approving the amendment, addition or revocation, subject to the following paragraph;

(ii) all Unitholders, may only be effected if the Unitholders pass a resolution by a majority of not less than 75% of the votes at a meeting approving the amendment, addition or revocation or all Unitholders sign a resolution approving the amendment, addition or revocation. A separate resolution will not be required in relation to any Class of Unitholders;

(iii) a Class of Noteholders, may only be effected if those Noteholders pass a resolution by a majority of not less than 75% of the votes at a meeting approving the amendment, addition or revocation or all such Noteholders sign a resolution approving the amendment, addition or revocation, subject to the following paragraph; or

(iv) all Noteholders, may only be effected if the Noteholders pass a resolution by a majority of not less than 75% of the votes at a meeting approving the amendment, addition or revocation or all Noteholders sign a resolution approving the amendment, addition or revocation. A separate resolution will not be required in relation to any Class of Noteholders.

The Manager must advise the Rating Agencies in respect of each Medallion Trust Programme trust affected by the amendment, addition or revocation no less than 10 Business Days prior to any amendment, addition or revocation of the Master Trust Deed or the Series Supplement and must provide the Trustee with a Rating Affirmation Notice in relation to the proposed amendment, addition or revocation. 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 a Rating Affirmation Notice has been provided to the Trustee.

In addition, the Trustee (at the direction of the Manager) may, on or prior to the Class A1-R Issue Date, without any requirement for consent by any Noteholders, agree to any amendments of a technical, administrative or operational nature (including amendments to the methodology, timing and frequency of determining rates, the process of making payments of interest and other administrative matters) to the Master Trust Deed (as it relates to the Series Trust) or the Series Supplement:

(a) which the Manager considers necessary to provide for the calculation and payment of interest on the Class A1-R Notes according to the Benchmark Rate for the Class A1-R Notes (if the Benchmark Rate is not Compounded AONIA) and the Trustee may rely conclusively on a certificate from the Manager that the Manager has formed the view that the amendments are necessary for these purposes; and

(b) which do not change the timing or priority of payments of principal or interest under the Transaction Documents in respect of any other Class of Notes or the timing or priority of payments of any other Secured Moneys to any Secured Creditors; and

(c) in respect of which the Manager has issued a Rating Affirmation Notice.

## 10.3 The Trustee

(a) **General Duties of Trustee**

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

Subject to the provisions of 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 the Assets. The Trustee agrees to act in the interests of the Unitholders and the Noteholders. If there is a conflict between the interests of the Unitholders on the one hand and the Noteholders on the other hand, the Trustee must act in the interests of the Noteholders.

The Trustee must act honestly and in good faith in performance of its duties and in exercising its discretions under the Master Trust Deed, 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 Supplement in a proper and efficient manner and exercise such 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 Noteholders and the Unitholders.

The terms of the Master Trust Deed and Series Supplement provide, amongst other things, that:

(i) the obligations of the Trustee to the Noteholders expressed in the Master Trust Deed or the Series Supplement are contractual obligations only and do not create any relationship of trustee or fiduciary between the Trustee and the Noteholders;

(ii) the Trustee has no duty, and is under no obligation, to investigate whether a Manager Default, a Servicer Default or a Perfection of Title Event has occurred in relation to the Series Trust other than where it has actual notice;

(iii) unless actually aware to the contrary, the Trustee is entitled to rely conclusively on, and is not required to investigate the accuracy of any calculation by the Seller, the Servicer or the Manager under the Series Supplement, the amount or allocation of collections or the contents of any certificate provided to the Trustee by the Servicer or Manager under the Series Supplement;

(iv) the Trustee may obtain and act on the advice of experts, whether instructed by the Trustee or the Manager, which are necessary, usual or desirable for the purpose of enabling the Trustee to be fully and properly advised and informed and will not be liable for acting in good faith on such advice; and

(v) the Trustee will only be considered to have knowledge or awareness of, or notice of, a thing or grounds to believe anything by virtue of the officers of the Trustee (or a related body corporate of the Trustee) 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 relation to the Series Trust, having actual knowledge, actual awareness or actual notice of that thing, or grounds to believe that thing.

(b) **Annual Compliance Statement**

The Trustee in its capacity as trustee will not publish annual reports and accounts.

(c) **Delegation**

In exercising its powers and performing its obligations and duties under the Master Trust Deed, the Trustee may delegate any or all of the powers, discretions and authorities of the Trustee under the Master Trust Deed or otherwise in relation to the Series Trust, to a related body corporate of the Trustee or otherwise in accordance with the Master Trust Deed or Series Supplement. The Trustee at all times remains liable for the acts or omissions of such related company when acting as delegate.

(d) **Trustee Fees and Expenses**

The Trustee is entitled to a fee payable in arrears on each Distribution Date.

The fee payable to the Trustee may be varied as agreed between the Trustee and the Manager provided that each Rating Agency must be given 3 Business Days' prior notice of any variation and the Manager has first provided to the Trustee a Rating Affirmation Notice in respect of each Rating Agency in relation to the proposed variation.

If the Trustee becomes liable to remit to a governmental agency an additional amount of Australian goods and services tax or is otherwise disadvantaged by a change in the Australian goods and services tax legislation in connection with the Series Trust, the Trustee will not be entitled to any reimbursement from the Assets of the Series Trust. However, the fees payable to the Trustee may be adjusted, in accordance with the Series Supplement.

At any time within 12 months after the abolition of or a change in the goods and services tax laws becomes effective, the Trustee or the Manager may, by written notice to the other, require negotiations to commence to adjust the fees payable to the Trustee so that it is not economically advantaged or disadvantaged by the effect of the change in the goods and services tax. Any adjustment to fees will be subject to the Manager providing to the Trustee a Rating Affirmation Notice in respect of each Rating Agency in relation to the proposed adjustment.

The Trustee is entitled to be reimbursed out of the Assets of the Series Trust for costs, charges and expenses which it may incur in respect of and can attribute to the Series Trust including, amongst other costs, disbursements in connection with the Assets of the Series Trust, the auditing of the Series Trust, taxes payable in respect of the Series Trust, legal costs and other amounts in connection with the exercise of any power or discretion or the performance of any obligation in relation to the Series Trust approved by the Manager which approval is not to be unreasonably withheld.

(e) **Removal of the Trustee**

The Trustee is required to retire as Trustee following a Trustee Default. If the Trustee refuses to retire following a Trustee Default the Manager may remove the Trustee immediately, or, if the Trustee Default relates only to a change in ownership or merger without assumption of the Trustee, upon 30 days' notice in writing.

The Manager must, subject to any approval required by law, use reasonable endeavours to appoint a qualified substitute Trustee (in respect of which the Manager has given prior notice to the rating agencies of all the Medallion Trust Programme trusts established under the Master Trust Deed) within 30 days of the retirement or removal of the Trustee.

If after the 30 day period the Manager is unable to appoint a qualified substitute Trustee (in respect of which the Manager has given prior notice to the rating agencies of all the Medallion Trust Programme trusts established under the Master Trust Deed), the Manager must convene a meeting of all debt security holders, including the Noteholders, and all beneficiaries, including the Unitholders, of all the Medallion Trust Programme trusts under the Master Trust Deed at which a substitute Trustee may be appointed by resolution of not less than 75% of the votes at that meeting or by a resolution in writing signed by all debt security holders and beneficiaries. As an alternative to such a meeting, or if no substitute Trustee is approved at such a meeting, the Manager may direct the Trustee to (and the Trustee must if so directed), or the Trustee may of its own volition, apply to court for the appointment of a replacement trustee in relation to the Series Trust alone or all of the Medallion Trust Programme trusts, as relevant. Until the appointment of a qualified substitute trustee is complete, the Trustee must continue to act as trustee of the Series Trust.

(f) **Voluntary Retirement of the Trustee**

The Trustee may resign on giving to the Manager not less than 3 months' notice in writing, or such lesser period as the Manager and the Trustee may agree, of its intention to do so.

Upon retirement, the Trustee must appoint a qualified substitute Trustee (in respect of which the Manager has given prior notice to the rating agencies of all the Medallion Trust Programme trusts established under the Master Trust Deed). If the Trustee does not propose a substitute Trustee at least one month prior to its proposed retirement, the Manager may appoint a qualified substitute Trustee in respect of which the Manager has given prior notice to each such rating agency.

If the Manager has not within 30 days prior to the date of the Trustee's proposed retirement appointed a qualified substitute Trustee (in respect of which the Manager has given prior notice to the rating agencies of all the Medallion Trust Programme trusts established under the Master Trust Deed), and a qualified substitute trustee has not otherwise been appointed by the Trustee, then the Manager must convene a meeting of all debt security holders, including the Noteholders, and all beneficiaries, including the Unitholders, of all the Medallion Trust Programme trusts under the Master Trust Deed at which a substitute Trustee may be appointed by resolution of not less than 75% of the votes at that meeting or by a resolution in writing signed by all debt security holders and beneficiaries. As an alternative to such a meeting, or if no substitute Trustee is approved at such a meeting, the Manager may direct the Trustee to (and the Trustee must if so directed), or the Trustee may of its own volition, apply to court for the appointment of a replacement trustee in relation to the Series Trust alone or all of the Medallion Trust Programme trusts, as relevant. Until the appointment of a qualified substitute trustee is complete, the Trustee must continue to act as trustee of the Series Trust.

The retiring Trustee must indemnify the Manager and the substitute Trustee in respect of all costs incurred as a result of its removal or retirement.

(g) **Limitation of the Trustee's Liability**

The Trustee acts as trustee and issues the Notes only in its capacity as trustee of the Series Trust and in no other capacity. A liability incurred by the Trustee acting as trustee of the Series Trust under or in connection with the Transaction Documents, except with respect to the following paragraph, 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 the circumstances described in the following paragraph, this limitation of the Trustee's liability applies despite any other provisions 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 Notes, the Master Trust Deed, the Series Supplement or any other Transaction Document. Noteholders, and the parties to the Transaction Documents may not sue the Trustee in respect of liabilities incurred by it acting as trustee of the Series Trust in any capacity other than as trustee of the Series Trust and may not seek to appoint a liquidator or administrator to the Trustee or to appoint a receiver to the Trustee, except in relation to the Assets of the Series Trust and may not prove in any liquidation, administration or arrangements of or affecting the Trustee, except in relation to the Assets of the Series Trust.

The limitation in the previous paragraph will not apply to any obligation or liability of the Trustee to the extent that it is not satisfied because under a Transaction Document or by operation of law there is a reduction in the extent of the Trustee's indemnification out of the Assets of the Series Trust as a result of the Trustee's fraud, negligence or wilful default or the fraud, negligence or wilful default of its officers, employees or agents or any person for whom the Trustee is liable under the terms of the Transaction Documents. For these purposes a wilful default does not include a default which arises as a result of a breach of a Transaction Document by any other person, other than any person for whom the Trustee is liable under the terms of the Transaction Documents, or which is required by law or a proper instruction or direction of a meeting of Secured Creditors of the Series Trust or Noteholders or other debt security holders or beneficiaries of a Medallion Trust Programme trust or of any other person entitled to instruct or direct the Trustee under the Transaction Documents.

In addition, the Manager, the Servicer and other persons are responsible for performing a variety of obligations in relation to the Series Trust. An act or omission of the Trustee will not be considered to be fraudulent, negligent or a wilful default to the extent to which it was caused or contributed to by any failure by any such person to fulfil its obligations relating to the Series Trust or by any other act or omission of such a person.

(h) **Rights of Indemnity of Trustee**

The Trustee is indemnified out of the Assets of the Series Trust for any liability properly incurred by the Trustee in performing or exercising any of its powers or duties. This indemnity is in addition to any indemnity allowed to the Trustee by law, but does not extend to any liabilities arising from the Trustee's fraud, negligence or wilful default.

The Trustee is indemnified out of the Assets of the Series Trust against certain payments it may be liable to make under the Consumer Credit Legislation. Each of the Servicer and the Seller also indemnifies the Trustee in relation to such payments in certain circumstances and the Trustee is required to first call on the indemnity from the

Servicer or the Seller (as applicable) before calling on the indemnity from the Assets of the Series Trust.

All costs incurred as a result of the removal or retirement of the Trustee must be borne by the outgoing Trustee.

## 10.4 The Manager

(a) **Powers**

The Manager's general duty is to manage the Assets of the Series Trust which are not serviced by the Servicer. In addition, the Manager has a number of specific responsibilities including making all necessary determinations to enable the Trustee to make the payments and allocations required on each Distribution Date in accordance with the Series Supplement (in the case of payment interest on the Notes, based on Compounded AONIA as determined by the Manager ), directing the Trustee to make those payments and allocations, keeping books of account of the Series Trust and monitoring Support Facilities. The Manager must act honestly and in good faith in performance of its duties and in exercising its discretions under the Master Trust Deed, use its best endeavours to carry on and conduct its business in so far as it relates to the Master Trust Deed and the other Transaction Documents in a proper and efficient manner and 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 Noteholders and the Unitholders.

(b) **Calculation of Compounded AONIA**

The duties of the Manager include, among others, the calculation of Compounded AONIA in respect of each Accrual Period for the Notes on each AONIA Calculation Date.

The Manager is required to exercise its rights and comply with its obligations under the Transaction Documents in good faith and using reasonable care, and may cross-reference a proposed calculation in respect of a proposed Compounded AONIA calculation against the AONIA Realised Rate published by the ASX, provided that the AONIA Realised Rate as published by the ASX on that Business Day uses the same methodology by which Compounded AONIA was required to be determined.

See Section 8.10 ("*Interest on the Notes*") for further details.

(c) **Delegation**

The Manager may, in carrying out and performing its duties and obligations in relation to the Series Trust, appoint any person as attorney or agent of the Manager with such powers as the Manager thinks fit including the power to sub-delegate provided that the Manager may not delegate a material part of its duties and obligations in relation to the Series Trust. The Manager remains liable for the acts or omissions of such attorneys or agents to the extent that the Manager would itself be liable.

(d) **Manager's Fees, Expenses and Indemnification**

The Manager is entitled to a management fee payable in arrears on each Distribution Date.

The management fee payable to the Manager by the Trustee out of the Available Income Amount may be varied as agreed between the Income Unitholder and the Manager provided that each Rating Agency must be given 3 Business Days' prior notice of any variation and the Manager has first provided to the Trustee a Rating Affirmation Notice in respect of each Rating Agency in relation to the proposed variation. The arranging fee payable to the Manager by the Trustee out of the Available Income Amount for the Series Trust is agreed between the Income Unitholder and the Manager prior to the date of the Series Supplement or as may otherwise be agreed by the Income Unitholder and the Manager.

The Manager will be indemnified out of the Assets of the Series Trust for any liability, cost or expense properly incurred by it in its capacity as Manager of the Series Trust.

(e) **Removal or Retirement of the Manager**

If the Trustee becomes aware that a Manager Default has occurred and is subsisting the Trustee must immediately terminate the appointment of the Manager and must appoint a substitute Manager in its place. The Manager indemnifies the Trustee in respect of all costs incurred as a result of its replacement by the Trustee.

The Manager may retire on giving to the Trustee 3 months', or such lesser period as the Manager and the Trustee may agree, notice in writing of its intention to do so. Upon its retirement, the Manager may appoint another corporation approved by the Trustee as Manager in its place. If the Manager does not propose a replacement by the date one month prior to the date of its retirement the Trustee may appoint a replacement Manager as from the date of the Manager's retirement.

Until a substitute Manager is appointed, the Trustee must act as Manager and will be entitled to receive the fee payable to the Manager.

(f) **Limitation of Manager's Liability**

The Manager is not personally liable to indemnify the Trustee or to make any payments to any other person in relation to the Series Trust except where arising from any fraud, negligence, wilful default or breach of duty by it in its capacity as Manager of the Series Trust. A number of limitations on the Manager's liability are set out in full in the Master Trust Deed and the other Transaction Documents. These include the limitation that the Manager will not be liable for any loss, costs, liabilities or expenses:

(i) arising out of the exercise or non-exercise of its discretions under any Transaction Document or otherwise in relation to the Series Trust;

(ii) arising out of the exercise or non-exercise of a discretion on the part of the Trustee, the Seller or the Servicer or any act or omission of the Trustee, the Seller or the Servicer; or

(iii) caused by its failure to check any calculation, information, document, form or list supplied or purported to be supplied to it by the Trustee, the Seller, the Servicer or any other person,

except to the extent that they are caused by the Manager's own fraud, negligence or wilful default.

## 10.5 Limits on Rights of Noteholders

Apart from the security interest granted under the Security Trust Deed, the Noteholders do not own and have no interest in the Series Trust or any of its Assets. In particular, no Noteholder is entitled to:

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

(b) 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;

(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 borrower or security provider under any Mortgage Loan assigned to the Trustee or with any person providing a Support Facility to the Trustee;

(g) seek to wind up or terminate the Series Trust;

(h) seek to remove the Servicer, Manager or Trustee;

(i) take proceedings 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 and the Security Trustee to comply with their respective obligations under the Master Trust Deed, the Series Supplement and the Security Trust Deed, 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 fraud, negligence or wilful default on the part of the Trustee or the Manager respectively; or

(k) have any recourse whatsoever to the Seller or to the Servicer in respect of a breach by the Seller or the Servicer of their respective obligations and duties under the Series Supplement.

## 10.6 The Security Trust Deed

(a) **General**

P.T. Limited of Level 18, 123 Pitt Street, Sydney, Australia, a wholly owned subsidiary of Perpetual Trustee Company Limited, is the Security Trustee. The Trustee has appointed P.T. Limited to act as its authorised representative under its Australian Financial Services Licence (Authorised Representative Number 266797). The Trustee has granted a security interest ("**Charge**"), to be registered in accordance with the PPSA, over all of the Assets of the Series Trust in favour of the Security Trustee. The Charge will secure the Secured Moneys owing to the Noteholders, the Servicer, the Seller, the Manager, the Liquidity Facility Provider, the Redraw Facility Provider and

the Interest Rate Swap Provider. These secured parties are collectively known as the "**Secured Creditors**".

(b) **Nature of the Charge**

Under the Security Trust Deed, the Trustee grants a security interest over:

(i) all the Assets of the Series Trust; and

(ii) the benefit of all covenants, agreements, undertakings, representations, warranties and other choses in action in favour of the Trustee under the Transaction Documents,

(together, the "**Collateral**") (subject to the Prior Interest (as defined in the Security Trust Deed) relating to the Series Trust) in favour of the Security Trustee for:

(iii) due and punctual performance, observance and fulfilment of the Obligations (as defined in the Security Trust Deed); and

(iv) payment of Secured Moneys owing to the Secured Creditors of the Series Trust.

The Security Trustee holds the benefit of the Charge 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 Charge (see Section 10.6(k) ("*Priorities under the Security Trust Deed*")).

The character of the Charge and its effect on an Asset differs depending on whether or not that Asset is "personal property" as defined in the PPSA.

To the extent that the Collateral is "personal property" as defined in the PPSA, the Charge takes effect either as:

(v) a security interest over Circulating Assets: these assets may circulate, changing from time to time, allowing the Trustee to deal with such assets and to give a third party title to those assets free from any encumbrance. The restrictions in relation to Circulating Assets generally allow the Trustee to continue to deal with these assets in the ordinary course of its business in relation to the Series Trust, as specifically permitted under the Transaction Documents in relation to the Series Trust or with the Security Trustee's consent; or

(vi) a security interest over Restricted Assets. The restrictions in relation to Restricted Assets generally prevent the Trustee from dealing with these assets (including for example, the Trustee will not be allowed to dispose of these assets, or change the nature of the collateral or vary any interest in the collateral) otherwise than as permitted by the Transaction Documents in relation to the Series Trust or with the Security Trustee's consent. Under the Security Trust Deed, a Circulating Asset will become a Restricted Asset (so that the Trustee ceases to have the ability to deal with the asset as described in sub-paragraph (v) above) upon the Security Trustee notifying the Trustee that it may not deal with the asset except with the consent of the Security Trustee or as expressly permitted by the Transaction Documents. The Security Trustee may only give this notice in the circumstances specified in the Security Trust Deed. Further, any Collateral which is not a Restricted Asset will be immediately taken to be a Restricted Asset if the Trustee becomes insolvent or

the Trustee deals with any Restricted Asset in a manner prohibited by the Security Trust Deed.

To the extent that the Collateral includes assets to which the PPSA does not apply ("**Non-PPSA Collateral**"), the Charge operates as a fixed charge over Collateral which is a Restricted Asset and a floating charge over Collateral which is a Circulating Asset. On the occurrence of certain events, the floating charge may take effect as a fixed charge. If the Charge operates as a fixed charge over any of the Collateral that is Non-PPSA Collateral, those assets may not be dealt with by the Trustee without the consent of the Security Trustee. In this way, the security is said to "fix" over the specific assets.

Unlike fixed charges, floating charges do not attach to specific assets but instead "float" over a class of Non-PPSA Collateral which may change from time to time, allowing the Trustee to deal with those assets in the ordinary course of its business and as permitted by the Transaction Documents and to give third party title to those assets free from any encumbrance. The Security Trust Deed provides that the Trustee may only deal with the Non-PPSA Collateral subject to the floating charge, subject to the restrictions described above for security interests over Circulating Assets.

(c) **The Security Trustee**

The Security Trustee is appointed to act as trustee on behalf of the Secured Creditors and holds the benefit of the Charge over the Assets of the Series Trust on trust for each Secured Creditor on the terms and conditions of the Security Trust Deed. If, in the Security Trustee's opinion, there is a conflict between the duties owed by the Security Trustee to any Secured Creditor or class of Secured Creditors and the interests of Noteholders as a whole, the Security Trustee must give priority to the interests of the Noteholders.

In addition, the Security Trustee must give priority to the interests of:

(i) if Class A1 Notes or Class A1-R Notes remain outstanding, the Class A1 Noteholders or the Class A1-R Noteholders (as applicable);

(ii) if no Class A1 Notes and no Class A1-R Notes remain outstanding but Class A2 Notes remain outstanding, the Class A2 Noteholders;

(iii) if no Class A1 Notes, no Class A1-R Notes and no Class A2 Notes remain outstanding but Class B Notes remain outstanding, the Class B Noteholders;

(iv) if no Class A1 Notes, no Class A1-R Notes and no Class A2 Notes and no Class B Notes remain outstanding but Class C Notes remain outstanding, the Class C Noteholders;

(v) if no Class A1 Notes, no Class A1-R Notes, no Class A2 Notes, no Class B Notes and no Class C Notes remain outstanding but Class D Notes remain outstanding, the Class D Noteholders;

(vi) if no Class A1 Notes, no Class A1-R Notes, no Class A2 Notes, no Class B Notes, no Class C Notes and no Class D Notes remain outstanding but Class E Notes remain outstanding, the Class E Noteholders; and

(vii) if no Class A1 Notes, no Class A1-R Notes, no Class A2 Notes, no Class B Notes, no Class C Notes, no Class D Notes and no Class E Notes remain outstanding but Class F Notes remain outstanding, the Class F Noteholders,

if, in the Security Trustee's opinion, there is a conflict between the interests of Class A1 Noteholders, the Class A1-R Noteholders, the Class A2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders or other persons entitled to the benefit of the security.

(d) **Duties and Liabilities of the Security Trustee**

The Security Trustee's liability to the Secured Creditors is limited to the amount the Security Trustee is entitled to recover through its right of indemnity from the Assets held on trust by it under the Security Trust Deed. However, this limitation will not apply to the extent that the Security Trustee limits its right of indemnity as a result of its own fraud, negligence or wilful default.

The Security Trust Deed contains a range of other provisions regulating the scope of the Security Trustee's duties and liabilities. These include the following:

(i) the Security Trustee is not required to monitor whether an Event of Default has occurred or compliance by the Trustee or Manager with the Transaction Documents or their other activities;

(ii) the Security Trustee is not required to do anything unless its liability is limited in a manner satisfactory to it;

(iii) the Security Trustee is not responsible for the adequacy or enforceability of any Transaction Documents;

(iv) except as expressly stated in the Security Trust Deed, the Security Trustee need not give to the Secured Creditors information concerning the Trustee or the Series Trust which comes into the possession of the Security Trustee;

(v) the Trustee gives wide ranging indemnities to the Security Trustee in relation to its role as Security Trustee; and

(vi) the Security Trustee may rely on documents and information provided by the Trustee or Manager.

(e) **Events of Default**

Each of the following is an Event of Default under the Security Trust Deed:

(i) the Trustee retires or is removed, or is required to retire or be 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 debt security holders and beneficiaries of the Medallion Trust Programme trusts established under the Master Trust Deed in accordance with the Master Trust Deed;

(ii) the Security Trustee has actual notice or is notified by the Manager or the Trustee that the Trustee is not entitled for any reason to fully 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 this;

(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, or is not within 30 days of the discovery thereof, remedied;

(iv) an Insolvency Event occurs in respect of the Trustee in its capacity as trustee of the Series Trust;

(v) distress or execution is levied or a judgment, order or encumbrance is enforced, or becomes enforceable, over any of the Assets of the Series Trust for an amount exceeding A$1,000,000, either individually or in aggregate, or can be rendered enforceable by the giving of notice, lapse of time or fulfilment of any condition and such action or event would have an Adverse Effect;

(vi) A. the Charge is or becomes wholly or partly void, voidable or unenforceable; or

B. the Trustee creates or consents to the creation or existence of another Security Interest over the Collateral (other than a Security Interest which is created by a Transaction Document or arises solely because of a transaction in accordance with a Transaction Document) or assigns or otherwise deals in any way with the Security Trust Deed or any interest in it, or allows any interest in it to arise or be varied, in breach of the Security Trust Deed where such breach will have an Adverse Effect;

(vii) A. all or any part of any Transaction Document is terminated or is illegal or, unenforceable or of no force or effect; or

B. any Transaction Document is terminated or becomes void, or any party becomes entitled to terminate, rescind or avoid all or a part of any Transaction Document,

and such action or event would have an Adverse Effect; and

(viii) any Senior Secured Moneys are not paid within 10 days of when due.

The Security Trustee may, without the consent of the Secured Creditors, determine that any event that would otherwise be an Event of Default under the Security Trust Deed will not be treated as an Event of Default, where this will not in the opinion of the Security Trustee be materially prejudicial to the interests of the Secured Creditors. However, it must not do so in contravention of any prior directions in an Extraordinary Resolution of Voting Secured Creditors. Unless the Security Trustee has made such an election, and providing that the Security Trustee is actually aware of the occurrence of an Event of Default, the Security Trustee must:

(ix) promptly and, in any event, within 2 Business Days, notify all Secured Creditors and each Rating Agency of the Event of Default and provide such Secured Creditors and each Rating Agency with full details of the Event of Default; and

(x) promptly convene a meeting of the Voting Secured Creditors at which it shall seek directions from the Voting Secured Creditors by way of Extraordinary Resolution regarding the action it should take as a result of that Event of Default.

(f) **Meetings of Voting Secured Creditors**

The Security Trust Deed contains provisions for convening meetings of the Voting Secured Creditors to enable the Voting Secured Creditors to direct or consent to the Security Trustee taking or not taking certain actions under the Security Trust Deed, including directing the Security Trustee to enforce the Security Trust Deed. Meetings may also be held of a class or classes of Voting Secured Creditors under the Security Trust Deed.

(g) **Voting Procedures**

Every question submitted to a meeting of Voting Secured Creditors shall be decided in the first instance by a show of hands. If a show of hands results in a tie, the chairman shall both on a show of hands and on a poll have a casting vote. A representative is a person or body corporate appointed as a proxy for a Voting Secured Creditor or a representative of a corporate Voting Secured Creditor under the Corporations Act. On a show of hands, every person holding, or being a representative holding or representing other persons who hold, Secured Moneys shall have one vote. If at any meeting a poll is demanded, every person who is present shall have one vote for every A$10 of Secured Moneys owing to it.

A resolution of all the Voting Secured Creditors, including an Extraordinary Resolution, may be passed, without any meeting or previous notice being required, by an instrument or Notes in writing which have been signed by all of the Voting Secured Creditors.

(h) **Indemnification**

The Trustee has agreed to indemnify the Security Trustee and each person to whom duties, powers, trusts, authorities or discretions may be delegated by the Security Trustee from and against all losses, costs, liabilities, expenses and damages arising out of or in connection with the execution of their respective duties under the Security Trust Deed, except to the extent that they result from the fraud, negligence or wilful default on the part of such persons.

(i) **Enforcement of the Charge**

Upon a vote at a meeting of Voting Secured Creditors called following an Event of Default under the Security Trust Deed, or by a resolution in writing signed by all Voting Secured Creditors, the Voting Secured Creditors may direct the Security Trustee by Extraordinary Resolution to do any or all of the following:

(i) declare all Secured Moneys immediately due and payable;

(ii) appoint a receiver over the Assets of the Series Trust and determine the remuneration to be paid to that receiver;

(iii) sell and realise the Assets of the Series Trust and otherwise enforce the Charge; or

(iv) take any other action as the Voting Secured Creditors may specify in the terms of such Extraordinary Resolution.

Any enforcement action taken by the Security Trustee will only relate to the same rights in relation to the Assets of the Series Trust as are held by the Trustee. This means that even after an enforcement, the Security Trustee's interest in the Assets of the Series Trust will remain subject to the rights of Commonwealth Bank of Australia arising under the Master Trust Deed and the Series Supplement.

No Secured Creditor is entitled to enforce the Charge, or appoint a receiver or otherwise exercise any power conferred by any applicable law on charges, otherwise than in accordance with the Security Trust Deed.

(j) **Limitations of Actions by the Security Trustee**

If an Event of Default occurs, the Security Trustee must not declare the Secured Moneys immediately due and payable, appoint a receiver or otherwise enforce the Charge under the Security Trust Deed without being directed to do so by an Extraordinary Resolution of the Voting Secured Creditors in accordance with the Security Trust Deed, unless in the opinion of the Security Trustee the delay required to obtain such directions would be prejudicial to Secured Creditors as a class. The Security Trustee is not obligated to act unless it obtains an indemnity from the Voting Secured Creditors and funds have been deposited on behalf of the Security Trustee to the extent to which it may become liable for the relevant enforcement actions.

If the Security Trustee convenes a meeting of the Voting Secured Creditors, or is required by an Extraordinary Resolution to take any action under the Security Trust Deed, and advises the Voting Secured Creditors before or during the meeting that it will not act 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 and demands to which it may render itself liable, and all costs, charges, damages and expenses which it may incur in relation to the enforcement of the Security Trust Deed and is put in funds to the extent to which it may become liable, including costs and expenses, and the Voting Secured Creditors refuse to grant the requested indemnity, and put the Security Trustee in funds, then the Security Trustee is not obliged to act in relation to that enforcement under the Security Trust Deed. In those circumstances, the Voting Secured Creditors may exercise such of those powers conferred on them by the Security Trust Deed as they determine by Extraordinary Resolution.

(k) **Priorities under the Security Trust Deed**

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

(i) first, pari passu and rateably to pay amounts owing or payable under the Security Trust Deed to indemnify the Security Trustee, the Manager, any experts or consultants appointed under the Security Trust Deed and the receiver against all loss and liability incurred by such parties in acting under the Security Trust Deed, except the receiver's remuneration, and in payment of the Prior Interest;

(ii) next, to pay pari passu and rateably any fees and any liabilities, losses, costs, claims, expenses, actions, damages, demands, charges, stamp duties and other taxes due to the Security Trustee and the receiver's remuneration;

(iii) next, to pay pari passu and rateably other outgoings and liabilities that the receiver or the Security Trustee have incurred in acting under the Security Trust Deed;

(iv) next, to pay any security interests over the Assets of the Series Trust of which the Security Trustee is aware having priority to the Charge, other than the Prior Interest, in the order of their priority;

(v) next, to pay the Seller any unpaid Accrued Interest Adjustment;

(vi) next, to pay pari passu and rateably:

A. the Liquidity Facility Provider all of the Secured Moneys owing to the Liquidity Facility Provider under the Liquidity Facility;

B. the Redraw Facility Provider all of the Secured Moneys owing to the Redraw Facility Provider under the Redraw Facility; and

C. the Interest Rate Swap Provider all of the Secured Moneys owing to the Interest Rate Swap Provider under the Interest Rate Swap Agreement other than any Subordinated Termination Payments;

(vii) next, pari passu and rateably:

A. to pay to the Class A1 Noteholders all of the Secured Moneys owing in relation to the Class A1 Notes (the Secured Moneys owing in respect of the principal component of the Class A1 Notes for this purpose will be calculated based on their Stated Amount), to be applied amongst them:

(aa) first, towards all interest accrued but unpaid on the Class A1 Notes at that time (to be distributed pari passu and rateably amongst the Class A1 Notes); and

(bb) next, in reduction of the Stated Amount in respect of the Class A1 Notes at that time (to be distributed pari passu and rateably amongst the Class A1 Notes);

B. to pay to the Class A1-R Noteholders all of the Secured Moneys owing in relation to the Class A1-R Notes (the Secured Moneys owing in respect of the principal component of the Class A1-R Notes for this purpose will be calculated based on their Stated Amount), to be applied amongst them:

(aa) first, towards all interest accrued but unpaid on the Class A1-R Notes at that time (to be distributed pari passu and rateably amongst the Class A1-R Notes); and

(bb) next, in reduction of the Stated Amount in respect of the Class A1-R Notes at that time (to be distributed pari passu and rateably amongst the Class A1-R Notes); and

C. to pay to the Seller the amount of all then Seller Advances which have not been repaid to the Seller in accordance with the Series Supplement;

(viii) next, pari passu and rateably:

A. to the Class A1 Noteholders of all unreimbursed Principal Chargeoffs in respect of the Class A1 Notes constituting the remaining Secured Moneys owing in respect of the Class A1 Notes (to be distributed pari passu and rateably amongst the Class A1 Notes); and

B. to the Class A1-R Noteholders of all unreimbursed Principal Chargeoffs in respect of the Class A1-R Notes constituting the remaining Secured Moneys owing in respect of the Class A1-R Notes (to be distributed pari passu and rateably amongst the Class A1-R Notes);

(ix) next, to the Class A2 Noteholders of all Secured Moneys owing in relation to the Class A2 Notes to be applied amongst them:

A. first, towards all interest accrued but unpaid on the Class A2 Notes at that time (to be distributed pari passu and rateably amongst the Class A2 Notes); and

B. next, in reduction of the Invested Amount in respect of the Class A2 Notes at that time (to be distributed pari passu and rateably amongst the Class A2 Notes);

(x) next, to the Class B Noteholders of all Secured Moneys owing in relation to the Class B Notes to be applied amongst them:

A. first, towards all interest accrued but unpaid on the Class B Notes at that time (to be distributed pari passu and rateably amongst the Class B Notes); and

B. next, in reduction of the Invested Amount in respect of the Class B Notes at that time (to be distributed pari passu and rateably amongst the Class B Notes);

(xi) next, to the Class C Noteholders of all Secured Moneys owing in relation to the Class C Notes to be applied amongst them:

A. first, towards all interest accrued but unpaid on the Class C Notes at that time (to be distributed pari passu and rateably amongst the Class C Notes); and

B. next, in reduction of the Invested Amount in respect of the Class C Notes at that time (to be distributed pari passu and rateably amongst the Class C Notes);

(xii) next, to the Class D Noteholders of all Secured Moneys owing in relation to the Class D Notes to be applied amongst them:

A. first, towards all interest accrued but unpaid on the Class D Notes at that time (to be distributed pari passu and rateably amongst the Class D Notes); and

B. next, in reduction of the Invested Amount in respect of the Class D Notes at that time (to be distributed pari passu and rateably amongst the Class D Notes);

(xiii) next, to the Class E Noteholders of all Secured Moneys owing in relation to the Class E Notes to be applied amongst them:

A. first, towards all interest accrued but unpaid on the Class E Notes at that time (to be distributed pari passu and rateably amongst the Class E Notes); and

B. next, in reduction of the Invested Amount in respect of the Class E Notes at that time (to be distributed pari passu and rateably amongst the Class E Notes);

(xiv) next, to the Class F Noteholders of all Secured Moneys owing in relation to the Class F Notes to be applied amongst them:

A. first, towards all interest accrued but unpaid on the Class F Notes at that time (to be distributed pari passu and rateably amongst the Class F Notes); and

B. next, in reduction of the Invested Amount in respect of the Class F Notes at that time (to be distributed pari passu and rateably amongst the Class F Notes);

(xv) next, in or towards payment pari passu and rateably of any Secured Moneys constituting Subordinated Termination Payments payable by the Trustee to the Interest Rate Swap Provider in accordance with the Interest Rate Swap Agreement;

(xvi) next, in or towards repayment to the Seller of an amount equal to the Extraordinary Expense Reserve Required Amount;

(xvii) next, to pay pari passu and rateably to each Secured Creditor any remaining amounts forming part of the Secured Moneys owing to that Secured Creditor and not satisfied under the preceding paragraphs;

(xviii) next, to pay subsequent security interests over the Assets of the Series Trust of which the Security Trustee is aware, in the order of their priority; and

(xix) finally, to pay any surplus to the Trustee to be distributed in accordance with the terms of the Master Trust Deed and the Series Supplement. The surplus will not carry interest as against the Security Trustee.

Upon enforcement of the security created by the Security Trust Deed, the net proceeds may be insufficient to pay all amounts due on redemption to the Noteholders. Any claims of the Noteholders remaining after realisation of the security and application of the proceeds shall be extinguished.

(l) **Security Trustee's Fees and Expenses**

The Security Trustee is entitled to a fee payable in arrears on each Distribution Date. The fee payable to the Security Trustee by the Trustee out of the Available Income Amount may be varied as agreed between the Trustee, the Manager and the Security Trustee provided that each Rating Agency must be given 3 Business Days' prior notice of any variation and the Manager has first provided to the Trustee a Rating Affirmation Notice in respect of each Rating Agency in relation to the proposed variation.

The Trustee must reimburse the Security Trustee for all costs and expenses of the Security Trustee incurred in performing its duties under the Security Trust Deed. These costs and expenses form part of the expenses of the Series Trust.

(m) **Retirement and Removal of the Security Trustee**

The Security Trustee must retire if:

(i) an Insolvency Event occurs with respect to it in its personal capacity or in respect of its personal assets (and not in its capacity as trustee of any trust or in respect of any assets it holds as trustee);

(ii) it ceases to carry on business;

(iii) the Trustee, where it is a related body corporate, retires or is removed from office and the Manager requires the Security Trustee by notice in writing to retire;

(iv) the Voting Secured Creditors require it to retire by an Extraordinary Resolution;

(v) it breaches a material duty and does not remedy the breach with 14 days notice from the Manager or the Trustee; or

(vi) there is a change in ownership or effective control of the Security Trustee without the consent of the Manager.

If an event of the type referred to in paragraph (i) to paragraph (vi) above occurs and the Security Trustee does not retire immediately after that event, the Manager is entitled to, and must forthwith, remove the Security Trustee from office immediately by notice in writing to the Security Trustee. On the retirement or removal of the Security Trustee as a result of the occurrence of an event of the type referred to in paragraph (i) to paragraph (vi) above, the Manager must issue a Rating Affirmation Notice in relation to each Rating Agency in respect of such retirement or removal.

The Security Trustee may retire on 3 months' notice to the Trustee, the Manager and each Rating Agency or such lesser time as the Manager, the Trustee and the Security Trustee may agree.

If the Security Trustee is removed or retires as described in this Section 10.6(m), the Manager may appoint a replacement Security Trustee which is an authorised trustee corporation under the Corporations Act provided that the Manager issues a Rating Affirmation Notice in respect of each Rating Agency in relation to such retirement or removal.

If a substitute Security Trustee has not been appointed within 30 days of the Manager receiving notice of the retirement or removal, the Manager must promptly convene a

meeting of Voting Secured Creditors 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 the time, appoint any person appointed by an Extraordinary Resolution passed at that meeting to act as Security Trustee.

Until the appointment of the substitute Security Trustee is complete, the existing Security Trustee must continue to act as the Security Trustee in accordance with the Transaction Documents. The Security Trustee has agreed to cooperate with the Manager with respect to the finding and appointment of a substitute Security Trustee.

None of Commonwealth Bank of Australia or any of its related bodies corporate may act as the Security Trustee.

(n) **Amendment**

The Trustee, the Manager and the Security Trustee, may alter, add to or revoke any provision of the Security Trust Deed, subject to the limitations described below, if the alteration, addition or revocation:

(i) in the opinion of the Security Trustee is made to correct a manifest error or ambiguity or is of a formal, technical or administrative nature only;

(ii) in the opinion of the Security Trustee, or of a lawyer instructed by the Security Trustee, is necessary or expedient to comply with the provisions of any law or regulation or with the requirements of any statutory authority;

(iii) in the opinion of the Security Trustee is appropriate or expedient as a consequence of an alteration to any law or regulation or altered requirements of the government of any jurisdiction or any governmental agency or any decision of any court including an alteration, addition or revocation which is appropriate or expedient as a result of an alteration to Australia's tax laws or any ruling by the Australian Commissioner or Deputy Commissioner of Taxation or any governmental announcement or statement or any decision of any court, which has or may have the effect of altering the manner or basis of taxation of trusts generally or of trusts similar to the security trust created under the Security Trust Deed; or

(iv) in the opinion of the Security Trustee is otherwise desirable for any reason.

Any alteration, addition or revocation must be notified to the Rating Agencies 5 Business Days in advance.

In addition, the Security Trustee (at the request of the Manager) may, on or prior to the Class A1-R Issue Date, without any requirement for consent by the Secured Creditors, agree to any amendments of a technical, administrative or operational nature (including amendments to the methodology, timing and frequency of determining rates, the process of making payments of interest and other administrative matters) to the Security Trust Deed:

(i) which the Manager considers necessary to provide for the calculation and payment of interest on the Class A1-R Notes according to the Benchmark Rate for the Class A1-R Notes (if the Benchmark Rate is not Compounded AONIA) and the Security Trustee may rely conclusively on a certificate from

the Manager that the Manager has formed the view that the amendments are necessary for these purposes; and

(ii) which do not change the timing or priority of payments of principal or interest under the Transaction Documents in respect of any other Class of Notes or any other Secured Moneys payable to any Secured Creditor; and

(iii) in respect of which the Manager has issued a Rating Affirmation Notice.

(o) **Indemnification**

The Trustee has agreed to indemnify the Security Trustee and each person to whom duties, powers, trusts, authorities or discretions may be delegated by the Security Trustee from and against all losses, costs, liabilities, expenses and damages arising out of or in connection with the execution of their respective duties under the Security Trust Deed, except to the extent that they result from the fraud, negligence or wilful default on the part of such persons.

## 10.7 Principal Draws

If there are insufficient income receipts of a Series Trust to be applied on a Distribution Date toward payment of interest on the Notes and other expenses of the Series Trust (to the extent such interest and other expenses fall within the Required Income Amount for that Distribution Date), the Manager may direct the Trustee to allocate some or all of the principal collections on the Mortgage Loans and other principal receipts of the Series Trust towards meeting the shortfall. Such an application is referred to as a Principal Draw. Any Principal Draws will be reimbursed from Available Income Amount on subsequent Distribution Dates so as to be applied as part of the Available Principal Amount, including towards repayment of the Notes. See Section 8.6 ("*Principal Draw*") for further information.

## 10.8 The Liquidity Facility

Liquidity enhancement may, in addition to Principal Draws, be provided by way of the Liquidity Facility.

(a) **Advances and Facility Limit**

Under the Liquidity Facility Agreement, the Liquidity Facility Provider agrees to make advances to the Trustee for the purpose of meeting Net Income Shortfalls.

The Liquidity Facility Provider agrees to make advances to the Trustee up to the Liquidity Facility Limit. The Liquidity Facility Limit is equal to the lesser of:

(i) A$12,750,000 (equal to 0.85% per cent of the aggregate Invested Amount of the Notes on the Closing Date);

(ii) if the Amortisation Conditions have ever been satisfied:

A. 0.85% per cent of the aggregate Invested Amount of the Notes on the Closing Date; multiplied by

B. the Performing Mortgage Loans Amount as at the Review Date prior to the most recent Distribution Date that the Amortisation Conditions were satisfied (following any payments on that date) divided by the Performing Mortgage Loans Amount as at the Closing Date, provided that if this results in a number less than 0.1, the result will be taken to be 0.1;

(iii) the Performing Mortgage Loans Amount at that time; and

(iv) the amount (if any) to which the Liquidity Facility Limit is reduced at that time by the Manager or the Trustee in accordance with the Liquidity Facility Agreement (one of the requirements for such a reduction is that the Manager has issued a Rating Affirmation Notice in respect of the proposed reduction in the Liquidity Facility Limit).

(b) **Utilisation of the Liquidity Facility**

Following the occurrence of a Net Income Shortfall, an amount equal to the lesser of:

(i) the un-utilised portion of the Liquidity Facility Limit; and

(ii) the Net Income Shortfall,

may be available to be advanced or applied under the Liquidity Facility on each Distribution Date in or towards extinguishment of that Net Income Shortfall. The amount so claimed or applied is referred to as the "**Applied Liquidity Amount**".

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

(c) **Conditions Precedent to Drawing**

The Liquidity Facility Provider is only obliged to make an advance if, amongst other conditions:

(i) no Liquidity Event of Default exists or will result from the provision or continuation of the advance;

(ii) the representations and warranties made or deemed to be made by the Trustee or the Manager in any Transaction Document are true and correct as of the date of the drawdown notice and the drawdown where such breach would have an Adverse Effect;

(iii) other than in respect of priorities granted by statute, none of the Liquidity Facility Provider, the Trustee or the Manager has received notice of any security interest ranking in priority to or equal with the security interest held by the Liquidity Facility Provider under the Security Trust Deed; and

(iv) the Notes have been issued and have not been redeemed or repaid in full.

(d) **Interest and fees under the Liquidity Facility Agreement**

The duration that each 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 Net Income Shortfall at the Liquidity Facility Compounded AONIA for that period plus a margin (plus, if outstanding Applied Liquidity Amounts are not repaid in full on a Distribution Date, an overdue rate), calculated on the number of days elapsed and a 365 day year. Interest is payable on each Distribution Date to the extent that funds are available for this purpose in accordance with the Series Supplement.

For these purposes, the "**Liquidity Facility Compounded AONIA**", in relation to an interest period for an Applied Liquidity Amount means Compounded AONIA in respect of the Accrual Period ending on the last day of that interest period, as determined by the Manager and notified by the Manager to the Liquidity Facility Provider, provided that if:

(i) the last day of that interest period does not coincide with the last day of any Accrual Period; or

(ii) the Manager does not notify the Liquidity Facility Provider of Compounded AONIA by 10.00 am on the last day of that interest period; or

(iii) the Liquidity Facility Provider (acting reasonably) considers that there has been a manifest error in the calculation of Compounded AONIA as notified to it by the Manager,

"Liquidity Facility Compounded AONIA" for that interest period will be the rate determined by the Liquidity Facility Provider at or about 10.00am on the last day of that interest period using the same methodology by which Compounded AONIA was required to be determined by the Manager for the relevant Accrual Period (such rate to be notified by the Liquidity Facility Provider to the Trustee immediately after its determination by the Liquidity Facility Provider).

Unpaid interest will be capitalised and will accrue interest from the date not paid.

The Liquidity Facility Commitment Fee accrues daily from the date of the Liquidity Facility Agreement and is calculated with respect to the unutilised portion of the Liquidity Facility Limit based on the number of days elapsed and a 365 day year. The Liquidity Facility Commitment Fee is payable monthly in arrears on each Distribution Date to the extent that funds are available for this purpose in accordance with the Series Supplement.

The interest rate and the Liquidity Facility Commitment Fee under the Liquidity Facility may be varied by agreement between the Liquidity Facility Provider, the Trustee (at the direction of the Manager) and the Manager provided that each Rating Agency is given not less than 3 Business Days prior notice by the Manager of any variation and the Manager has issued a Rating Affirmation Notice in respect of each Rating Agency in relation to such variation.

(e) **Repayment of Liquidity Advances**

Each Applied Liquidity Amount outstanding on any Distribution Date is repayable on the following Distribution Date but only to the extent there are funds available for this purpose in accordance with the Series Supplement. Amounts so repaid may be redrawn by the Trustee in accordance with the terms of the Liquidity Facility Agreement.

It is not a Liquidity Event of Default if the Trustee does not have funds available to repay the Applied Liquidity Amounts outstanding under the Liquidity Facility on a Distribution Date. If outstanding Applied Liquidity Amounts are not repaid in full on a Distribution Date, any unpaid amounts will be carried forward (and accrue interest as described above) so that they are payable by the Trustee on each following Distribution Date to the extent that funds are available for this purpose in accordance with the Series Supplement until such amounts are paid in full.

(f) **Downgrade of Liquidity Facility Provider**

If the Liquidity Facility Provider ceases to have the Designated Credit Rating (as defined below) from each Rating Agency, the Liquidity Facility Provider (at its own cost) must take one or more of the following actions (as elected by the Liquidity Facility Provider) within the relevant period specified in the Liquidity Facility Agreement:

(i) procure a replacement Liquidity Facility for the Trustee from a liquidity facility provider with the required credit ratings from each Rating Agency;

(ii) request the Manager to direct the Trustee to request a Cash Deposit Advance in accordance with the procedure described below; or

(iii) take such other steps as the Manager may identify provided that the Manager has delivered a Rating Affirmation Notice to the Trustee in respect of such steps.

For these purposes, "**Designated Credit Rating**" means:

A. in respect of S&P:

1. a long term credit rating equal to or higher than BBB; or

2. a short term credit rating equal to or higher than A-2 (if the Liquidity Facility Provider does not have any long term rating from S&P); and

B. in respect of Fitch Ratings:

1. a short term credit rating equal to or higher than F1+ or a long term rating equal to or higher than AA-, unless (and until such time as) the Liquidity Facility Provider elects, by notice in writing to the Trustee and the Manager (with a copy to Fitch Ratings) given not earlier than the date that is 31 days following the date on which the Liquidity Facility Provider ceases to have such a rating, that the minimum ratings set out in sub-paragraph 2 below will instead apply in relation to it; or

2. if the Liquidity Facility Provider has given the notice described in sub-paragraph 1 above, a short term credit rating equal to or higher than F1 or a long term credit rating equal to or higher than A,

or such other credit rating or ratings by a Rating Agency as may be notified in writing by the Manager to the Trustee from time to time provided that the Manager has delivered to the Trustee a Rating Affirmation Notice in respect of each Rating Agency.

If the Trustee has so requested (following a request from the Liquidity Facility Provider to the Manager as described in sub-paragraph (ii) above), the Liquidity Facility Provider must deposit into an account in the name of the Trustee with an Eligible Depository ("**Liquidity Facility Reserve Deposit Account**") an amount equal to the then un-utilised portion of the Liquidity Facility Limit (a "**Cash Deposit Advance**"). Thereafter, if the Manager determines that a Net Income Shortfall has occurred, the amount of such Net Income Shortfall must be satisfied from the Cash Deposit Advance in the Liquidity Facility Reserve Deposit Account (including amounts credited to the Liquidity Facility Reserve Deposit Account in repayment by the Trustee of Applied Liquidity Amounts, which shall form part of the Cash Deposit). On the termination of the Liquidity Facility, or if the Liquidity Facility Provider obtains the Designated Credit Rating or procures a replacement Liquidity Facility or takes other steps as described above in sub-paragraphs (i) and (iii) respectively, the un-utilised portion of the Cash

Deposit (together with all accrued, but unpaid, interest on that amount) must be repaid to the Liquidity Facility Provider and (except in the case of the termination of the Liquidity Facility) any Net Income Shortfalls occurring thereafter will be satisfied by the Liquidity Facility Provider meeting a direct claim under the Liquidity Facility Agreement.

On each Distribution Date the Trustee, at the direction of the Manager, will pay the Liquidity Facility Provider any interest that has been earned on the Liquidity Facility Reserve Deposit Account or any other account held by the Trustee as trustee of the Series Trust in respect of the Cash Deposit.

The Cash Deposit will not form part of the Assets of the Series Trust, except to the extent it is available to the Trustee under the terms of the Liquidity Facility Agreement, and will not form part of the Available Income Amount (except to the extent applied as described in paragraph (c) above) or Available Principal Amount for distribution on a Distribution Date or be available to Secured Creditors upon enforcement of the Charge.

(g) **Events of Default under the Liquidity Facility Agreement**

Each of the following is a Liquidity Event of Default (whether or not caused by any reason whatsoever outside the control of the Trustee or any other person):

(i) the Trustee fails to pay to the Liquidity Facility Provider any amount owing to it under the Liquidity Facility Agreement where funds are available for this purpose in accordance with the order of priority under the Series Supplement and does not pay the amount within 10 days of its due date;

(ii) the Trustee consents to amend or revoke the provisions of the Transaction Documents in manner which would alter the priority of payments under the Transaction Documents or have certain effects on the rights and obligations of the Liquidity Facility Provider without the prior written consent of the Liquidity Facility Provider; and

(iii) an Event of Default occurs under the Security Trust Deed and any enforcement action is taken under the Security Trust Deed.

(h) **Consequences of an Event of Default**

At any time after a Liquidity Event of Default the Liquidity Facility Provider may do all or any of the following:

(i) declare all moneys actually or contingently owing under the Liquidity Facility Agreement immediately due and payable; and

(ii) terminate the Liquidity Facility.

(i) **Termination**

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

(i) the Distribution Date in January 2052;

(ii) the termination date appointed by the Liquidity Facility Provider if it becomes unlawful 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;

(iii) the date on which the Liquidity Facility Provider declares all amounts due under the Liquidity Facility Agreement (as described in Section 10.8(h) ("*Consequences of an Event of Default*") above) or declares the Liquidity Facility terminated following a Liquidity Event of Default;

(iv) the date one day after all Notes are redeemed in full;

(v) the date on which the Liquidity Facility Limit is reduced to zero by agreement between the Liquidity Facility Provider and the Manager and in relation to which the Manager has issued a Rating Affirmation Notice; and

(vi) the Distribution Date declared by the Trustee as the date on which the Liquidity Facility Provider will be replaced by a substitute Liquidity Facility Provider, subject to the repayment by the Trustee of all amounts outstanding under the Liquidity Facility and the Manager issuing a Rating Affirmation Notice in relation to the termination of the Liquidity Facility Provider and the appointment of the proposed substitute Liquidity Facility Provider.

(j) **Increased Costs**

If, by reason of any change in law or its interpretation or administration or because of compliance with any request from any fiscal, monetary or other governmental agency, the Liquidity Facility Provider incurs new or increased costs, obtains reduced payments or returns or becomes liable to make any payment based on the amount of advances outstanding under the Liquidity Facility Agreement, the Trustee must pay the Liquidity Facility Provider an amount sufficient to indemnify it against that cost, increased cost, reduction or liability. However, the Trustee is not required to pay the Liquidity Facility Provider any additional amount to compensate the Liquidity Facility Provider for any withholding or deduction by the Trustee in respect of Taxes that is required by law or any withholding or deduction by the Trustee for or on account of FATCA.

## 10.9 The Redraw Facility

Financial accommodation will be provided to the Trustee in the event that there is insufficient cash available to fully reimburse the Seller for permitted Seller Advances made during a Collection Period as contemplated by Section 8.16 ("*Redraws and Further Advances*") (such shortfall being a "**Redraw Shortfall**") by way of the Redraw Facility.

(a) **Advances and Facility Limit**

Under the Redraw Facility Agreement, the Redraw Facility Provider agrees to make advances to the Trustee for the purpose of meeting Redraw Shortfalls.

The Redraw Facility Provider agrees to make advances to the Trustee up to the Redraw Facility Limit. The Redraw Facility Limit is equal to:

(i) unless sub-paragraph (ii) applies, A$5,000,000;

(ii) if the Specified Performing Mortgage Loans Amount at the most recent Determination Date is less than $5,000,000, the greater of:

A. the Specified Performing Mortgage Loans Amount as at the most recent Determination Date; and

B. $500,000,

or such lesser amount (if any) to which the Redraw Facility Limit has been reduced at that time by the Manager or the Trustee in accordance with the Redraw Facility Agreement (one of the requirements for such a reduction is that the Manager has issued a Rating Affirmation Notice in respect of the proposed reduction in the Redraw Facility Limit).

(b) **Utilisation of the Redraw Facility**

Following the occurrence of a Redraw Shortfall, an amount equal to the lesser of:

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

(ii) the Redraw Shortfall,

may be available to be advanced or applied under the Redraw Facility on that date in or towards extinguishment of that Redraw Shortfall. The amount so claimed or applied is referred to as the "**Redraw Amount**".

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

(c) **Conditions Precedent to Drawing**

The Redraw Facility Provider is only obliged to make an advance if, amongst other conditions:

(i) no Redraw Event of Default exists or will result from the provision or continuation of the advance;

(ii) the representations and warranties made or deemed to be made by the Trustee or the Manager in any Transaction Document are true and correct as of the date of the drawdown notice; and

(iii) other than in respect of priorities granted by statute, none of the Redraw Facility Provider, the Trustee or the Manager has received notice of any security interest ranking in priority to or equal with the security interest held by the Redraw Facility Provider under the Security Trust Deed.

(d) **Interest and fees under the Redraw Facility Agreement**

The duration that each Redraw Amount is outstanding is divided into interest periods (each, a "**Redraw Facility Interest Period**"). Interest accrues daily on each Redraw Amount advanced or applied under the Redraw Facility to meet a Redraw Shortfall at the Redraw Facility Compounded AONIA for that Redraw Facility Interest Period plus a margin (plus, if outstanding Redraw Amounts are not repaid in full on a Distribution Date, an overdue rate), calculated on the number of days elapsed and a 365 day year. Interest is payable on each Distribution Date to the extent that funds are available for this purpose in accordance with the Series Supplement.

Unpaid interest will be capitalised and will accrue interest from the date not paid.

A Redraw Facility Commitment Fee accrues daily from the date of the Redraw Facility Agreement and is calculated with respect to the unutilised portion of the Redraw

Facility Limit based on the number of days elapsed and a 365 day year. The Redraw Facility Commitment Fee is payable monthly in arrears on each Distribution Date to the extent that funds are available for this purpose in accordance with the Series Supplement.

The interest rate and the Redraw Facility Commitment Fee under the Redraw Facility may be varied by agreement between the Redraw Facility Provider, the Trustee (at the direction of the Manager) and the Manager provided that the Rating Agency is given not less than 5 Business Days prior notice by the Manager of any variation and the Manager has issued a Rating Affirmation Notice in relation to such variation.

(e) **Repayment of Redraw Facility Advances**

Each Redraw Amount outstanding on any Distribution Date is repayable on the following Distribution Date but only to the extent there are funds available for this purpose in accordance with the Series Supplement. Amounts so repaid may be redrawn by the Trustee in accordance with the terms of the Redraw Facility Agreement.

It is not a Redraw Event of Default if the Trustee does not have funds available to repay the Redraw Amounts outstanding under the Redraw Facility on a Distribution Date. If outstanding Redraw Amounts are not repaid in full on a Distribution Date, any unpaid amounts will be carried forward (and accrue interest as described above) so that they are payable by the Trustee on each following Distribution Date to the extent that funds are available for this purpose in accordance with the Series Supplement until such amounts are paid in full.

(f) **Events of Default under the Redraw Facility Agreement**

Each of the following is a Redraw Event of Default (whether or not caused by any reason whatsoever outside the control of the Trustee or any other person):

(i) the Trustee fails to pay to the Redraw Facility Provider any amount owing to it under the Redraw Facility Agreement where funds are available for this purpose in accordance with the order of priority under the Series Supplement and does not pay the amount within 10 days of its due date;

(ii) the Trustee consents to amend or revoke the provisions of the Transaction Documents in manner which would alter the priority of payments under the Transaction Documents or have certain effects on the rights and obligations of the Redraw Facility Provider without the prior written consent of the Redraw Facility Provider; and

(iii) an Event of Default occurs under the Security Trust Deed and any enforcement action is taken under the Security Trust Deed.

(g) **Consequences of an Event of Default**

At any time after a Redraw Event of Default the Redraw Facility Provider may do all or any of the following:

(i) declare all moneys actually or contingently owing under the Redraw Facility Agreement immediately due and payable; and

(ii) terminate the Redraw Facility.

(h) **Termination**

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

(i) the Distribution Date in January 2052;

(ii) the date one day after all Notes are redeemed in full;

(iii) the date on which the Redraw Facility Limit is reduced to zero by agreement between the Redraw Facility Provider and the Manager and in relation to which the Manager has issued a Rating Affirmation Notice; and

(iv) the date which the Redraw Facility Provider declares the Redraw Facility terminated by written notice to the Trustee and the Manager.

(j) **Increased Costs**

If, by reason of any change in law or its interpretation or administration or because of compliance with any request from any fiscal, monetary or other governmental agency, the Redraw Facility Provider incurs new or increased costs, obtains reduced payments or returns or becomes liable to make any payment based on the amount of advances outstanding under the Redraw Facility Agreement, the Trustee must pay the Redraw Facility Provider an amount sufficient to indemnify it against that cost, increased cost, reduction or liability. However, the Trustee is not required to pay the Redraw Facility Provider any additional amount to compensate the Redraw Facility Provider for any withholding or deduction by the Trustee for or on account of FATCA.

## 10.10 Mortgage Insurance

(a) **General**

Certain Mortgage Loans have the benefit of mortgage insurance pursuant to an applicable high LTV master mortgage insurance policy (a "**High LTV Master Policy**"). The relevant Mortgage Loans are generally those which had a loan-to-value ratio of greater than around 80% at the time that they were originated. Some Mortgage Loans which had a loan to value ratio greater than 80% at the time of origination may not be covered by any mortgage insurance policy, but the Seller may charge the borrower a Low Deposit Premium.

Each High LTV Master Policy is entered into between the Seller and Genworth Financial Mortgage Insurance Pty Limited ("**Mortgage Insurer**") and, together with each individual Mortgage Insurance Policy issued under the relevant High LTV Master Policy, represents a liability of the Mortgage Insurer. The Seller will equitably assign its rights under each applicable Mortgage Insurance Policy to the Trustee on the Closing Date.

Each High LTV Master Policy insures the Seller (and following assignment, the Trustee) against losses in respect of the Mortgage Loans insured under the relevant policy. Each borrower paid a single upfront premium for their respective Mortgage Loan to be insured under a Mortgage Insurance Policy (issued pursuant to a High LTV Master Policy) and no further premium is payable by an originator or the Trustee.

Each High LTV Master Policy contains terms and conditions that, if not complied with, may entitle the Mortgage Insurer to refuse to pay a claim in relation to a Mortgage Loan or to reduce the amount payable in relation to any such claim. Such circumstances include (but are not limited to) failure to pay premium payable under the relevant High LTV Master Policy, failure by the Seller or the Trustee to comply with applicable laws,

the making of certain variations to a relevant Mortgage Loan which have not been consented to by the Mortgage Insurer or if the relevant Mortgage Loan is wholly or partly unenforceable (including where the relevant borrower has a right of set-off or a counterclaim in any proceedings taken by or on behalf of the Trustee in relation to the Mortgage Loan). In addition, each High LTV Master Policy excludes coverage for any loss arising due to certain events, such as physical damage to the property, war or warlike activities, acts of terrorism or terrorist activities and other similar events.

(b) **Loans insured by Genworth Financial Mortgage Insurance Pty Limited**

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

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

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

## 10.11 The Interest Rate Swaps

(a) **Purpose of the Interest Rate Swaps**

Collections in respect of interest on the variable rate Mortgage Loans will be calculated based on Commonwealth Bank of Australia's administered variable rates.

Collections in respect of interest on the fixed rate Mortgage Loans will be calculated based on the relevant fixed rates.

However, the payment obligations of the Trustee on the Notes are calculated by reference to the relevant Compounded AONIA.

To hedge these interest rate exposures, the Trustee has entered into a basis swap ("**Basis Swap**") and a fixed rate swap in respect of mortgages charged a fixed rate ("**Fixed Rate Swap**") with an Interest Rate Swap Provider.

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

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

Each of the Basis Swap and the Fixed Rate Swap is governed by a standard form ISDA Master Agreement, as amended by a supplementary schedule and confirmed by written confirmations in relation to each swap (the "**Interest Rate Swap Agreement**").

The initial Interest Rate Swap Provider is Commonwealth Bank of Australia, Ground Floor, Darling Park, Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia.

(b) **Basis Swap**

On each Distribution Date the Trustee will pay to the Interest Rate Swap Provider an amount calculated by reference to the product of: (i) a notional amount (calculated according to the relevant proportion of the variable rate Mortgage Loans as at the first day of the Collection Period ending immediately prior to that Distribution Date (or, in the case of the first Distribution Date, the Closing Date) multiplied by the Invested Amount of the Notes (or, in the case of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, zero if the Stated Amount of the relevant Class of Notes is zero or has ever been reduced to zero)) ("**Basis Swap Notional Amount**"); and (ii) a basis swap rate (referable to the interest payable by borrowers on the variable rate Mortgage Loans, during the Collection Period ending immediately prior to that Distribution Date and a proportion (corresponding to the relevant proportion of the variable rate Mortgage Loans as at the first day of the Collection Period ending immediately prior to that Distribution Date (or, in the case of the first Distribution Date, the Closing Date)) of the income earned by the Series Trust on the Collections Account (including the Extraordinary Expense Reserve) and on any Authorised Short-Term Investments during that Collection Period and any interest on Collections deposited by the Servicer to the Collections Account in respect of that Collection Period in accordance with Section 11.1(h) ("*Servicing of the Mortgage Loans*")).

In return, the Interest Rate Swap Provider will pay to the Trustee on each Distribution Date an amount calculated by reference to the product of the Basis Swap Notional Amount and Compounded AONIA for the relevant period plus a margin specified in the Basis Swap confirmation.

(c) **Fixed Rate Swap**

The Trustee has entered into the Fixed Rate Swap with the Interest Rate Swap Provider to enable the Trustee to hedge the interest rate mismatch between the interest rates being charged on Mortgage Loans at a fixed rate and the payment obligations of the Trustee under the Notes.

The Fixed Rate Swap will have a notional amount in respect of each Distribution Date calculated according to the relevant proportion of the fixed rate Mortgage Loans as at the first day of the Collection Period ending immediately prior to that Distribution Date (or, in the case of the first Distribution Date, the Closing Date) multiplied by the Invested Amount of the Notes (or, in the case of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, zero if the Stated Amount of the relevant Class of Notes is zero or has ever been reduced to zero) ("**Fixed Rate Swap Notional Amount**").

Under the Fixed Rate Swap the Trustee will pay to the Interest Rate Swap Provider on each Distribution Date an amount calculated by reference to the product of: (i) the Fixed Rate Swap Notional Amount for that Distribution Date; and (ii) the weighted average of the fixed rates charged on the fixed rate Mortgage Loans as at the first day of the Collection Period ending immediately prior to that Distribution Date, plus a proportion (corresponding to the relevant proportion of the fixed rate Mortgage Loans as at the first day of the Collection Period ending immediately prior to that Distribution Date (or, in the case of the first Distribution Date, the Closing Date)) of the income earned by the Series Trust on the Collections Account (including the Extraordinary Expense Reserve) and on any Authorised Short-Term Investments and any interest on Collections deposited by the Servicer to the Collections Account in accordance with Section 11.1(h) ("*Servicing of the Mortgage Loans*") in respect of the relevant Collection Period.

The Interest Rate Swap Provider will in turn pay to the Trustee on each Distribution Date an amount calculated by reference to the product of the Fixed Rate Swap Notional Amount for that Distribution Date, Compounded AONIA for the relevant period and a margin specified in the Fixed Rate Swap confirmation.

(d) **Downgrade of the Interest Rate Swap Provider**

In respect of the Fixed Rate Swap, in the case of Fitch Ratings, if at any time a Fitch Replacement Event (as defined in the Interest Rate Swap Agreement) has occurred and is subsisting, the Interest Rate Swap Provider must, at its own cost and within 30 days of that event (or such longer period as may apply in accordance with the Interest Rate Swap Agreement) do one or more of the following:

(i) novate all of the Interest Rate Swap Provider's rights and obligations under the Interest Rate Swap Agreement to a Fitch Eligible Replacement (as defined in the Interest Rate Swap Agreement); or

(ii) arrange for the Interest Rate Swap Provider's obligations under the Interest Rate Swap Agreement to be irrevocably guaranteed by a Fitch Eligible Replacement; or

(iii) enter into such other arrangements in relation to its obligations under the Interest Rate Swap Agreement which the Manager is satisfied on a reasonable basis will not result in a downgrade, withdrawal or qualification of the then rating of the Notes.

In respect of the Fixed Rate Swap, in the case of S&P, if an S&P Replacement Event (as defined in the Interest Rate Swap Agreement) has occurred and is subsisting, the Interest Rate Swap Provider must use commercially reasonable efforts to, at its own cost and within 90 days of that event (or such other period as may apply in accordance the Interest Rate Swap Agreement) do one or more of the following:

1. novate all of the Interest Rate Swap Provider's rights and obligations under the Interest Rate Swap Agreement to an S&P Eligible Replacement (as defined in the Interest Rate Swap Agreement); or

2. arrange for the Interest Rate Swap Provider's obligations under the Interest Rate Swap Agreement to be irrevocably guaranteed by an S&P Eligible Replacement; or

3. enter into such other arrangements in relation to its obligations under the Interest Rate Swap Agreement which the Manager is satisfied on a reasonable basis will not result in a downgrade, withdrawal or qualification of the then rating of the Notes,

in accordance with the terms of the Interest Rate Swap Agreement.

If the Interest Rate Swap Provider lodges cash collateral or any other collateral in accordance with the Interest Rate Swap Agreement with the Trustee, any interest or income on that cash collateral or interest or other income earned on any other collateral posted in accordance with the Interest Rate Swap Agreement will be paid to the Interest Rate Swap Provider. Any cash collateral lodged by the Interest Rate Swap Provider or any other collateral posted by the Interest Rate Swap Provider in accordance with the Interest Rate Swap Agreement with the Trustee will not form part of the Assets of the Series Trust, except to the extent the cash collateral or other posted collateral is

available to the Trustee under the terms of the Interest Rate Swap Agreement, and will not be applied as part of the Available Income Amount or Available Principal Amount on a Distribution Date or be available to the Secured Creditors upon the enforcement of the Charge.

(e) **Early Termination of the Interest Rate Swaps**

The Interest Rate Swap Provider and the Trustee may terminate the Basis Swap or the Fixed Rate Swap in the following circumstances:

(i) if, in the case of the Interest Rate Swap Provider, there is a payment default by the Trustee which is not remedied by 10.00 a.m. (Sydney time) on the 10th day after receiving notice from the Interest Rate Swap Provider of such failure to pay;

(ii) if, in the case of the Trustee, there is a payment default by the Interest Rate Swap Provider which is not remedied by 10.00 a.m. (Sydney time) on the 10th day after notice from the Trustee of such failure to pay;

(iii) if, in the case of the Trustee, the Interest Rate Swap Provider fails to take the action described above following a downgrade of its credit ratings;

(iv) if due to a change in law or a change in interpretation of law it becomes illegal for either party to make or receive payments, perform its obligations under any credit support document or comply with any other material provision of the Basis Swap or the Fixed Rate Swap. In these circumstances, each party must make certain efforts to transfer their rights and obligations to avoid this illegality. If those efforts are not successful then both the Trustee and the Interest Rate Swap Provider will have the right to terminate; or

(v) if the Charge under the Security Trust Deed is enforced.

If the Trustee is not paid an amount owing to it by the Commonwealth Bank of Australia (as Interest Rate Swap Provider) under the Interest Rate Swap Agreement within 20 Business Days of its due date for payment (or such longer period as the Trustee may agree) this may result in a Perfection of Title Event. The Trustee may also have the right to terminate the Interest Rate Swap Agreement in other circumstances, including if a credit support default occurs, if a force majeure event occurs or certain tax events occur.

(f) **Termination of Interest Rate Swaps**

Each of the Basis Swap and the Fixed Rate Swap terminates on the earlier of:

(i) the Distribution Date in January 2052;

(ii) the date that all of the Notes have been redeemed in full; and

(iii) the Termination Date for the Series Trust.

(g) **Replacement of terminated Interest Rate Swaps**

If the Basis Swap, the Fixed Rate Swap or any additional swap transaction entered into in connection with the issuance of Class A1-R Notes is terminated prior to its scheduled

termination date, the Manager and the Trustee must endeavour to within 5 Business Days:

(i) enter into one or more replacement swaps on terms and with a counterparty in respect of which the Manager has provided a Rating Affirmation Notice in relation to each Rating Agency; or

(ii) enter into other arrangements in respect of which the Manager has provided a Rating Affirmation Notice in relation to each Rating Agency.

(h) **Other fixed rate swaps**

The Trustee and the Interest Rate Swap Provider may agree to enter into separate fixed rate swaps in relation to one or more of the Mortgage Loans under which, on each Distribution Date, the Trustee will pay to the Interest Rate Swap Provider an amount calculated by reference to the fixed interest payable by borrowers on those Mortgage Loans on a proportion of those Mortgage Loans. In return the fixed rate swap provider will pay to the Trustee an amount calculated by reference to the respective Compounded AONIA plus a margin.

In addition, if the Servicer offers interest rate cap products to borrowers, the Trustee and the fixed rate swap provider will enter into swaps to hedge the Trustee's risks in relation to such interest rate caps.

(i) **Break Costs for fixed rate swaps**

If a borrower prepays a loan subject to a fixed rate of interest, or otherwise terminates a fixed rate period under a Mortgage Loan, the Trustee will normally be entitled to receive from the borrower a break cost.

A break cost is currently payable by the borrower to the Trustee where the terminated fixed rate under the Mortgage Loan is greater than the current equivalent fixed rate product offered by Commonwealth Bank of Australia for the remaining term of the Mortgage Loan. Under Commonwealth Bank of Australia's current policies and procedures, prepayments of up to A$10,000 in any 12 month period may be made by a borrower without incurring break costs, see Section 7.4(e) (*"Special Features of the Mortgage Loans"*).

The method for calculation of break costs may change from time to time according to the business judgment of the Servicer.

(j) **Class A1-R Note swaps**

If Class A1-R Notes are issued and the Benchmark Rate for the Class A1-R Notes is not Compounded AONIA, the Trustee and the Interest Rate Swap Provider may agree to enter into a separate swap transaction to hedge the potential mismatch between the amounts received by the Trustee under the Basis Swap, the Fixed Rate Swap and any additional fixed rate swaps (which will be calculated by reference to Compounded AONIA) and the obligations of the Trustee under the Class A1-R Notes (which will be calculated by reference to the applicable Benchmark Rate for the Class A1-R Notes). However, any such additional swap transaction may not be entered into by the Trustee unless the Manager has given a Rating Affirmation Notice in respect of that swap transaction.

## 10.12 Clean-Up

Commonwealth Bank of Australia will have the right to extinguish the Trustee's interest in the Mortgage Loan Rights, or to otherwise regain the benefit of the Mortgage Loan Rights on any Distribution Date occurring on or after the Call Date ("**Clean-Up Settlement Date**").

Commonwealth Bank of Australia may only exercise such a right by paying to the Trustee on the Clean-Up Settlement Date the Fair Market Value (as at the last day of the Collection Period ending immediately before the Clean-Up Settlement Date) of each Mortgage Loan ("**Clean-Up Settlement Price**"). However, Commonwealth Bank of Australia may not exercise its rights described in this Section 10.12 ("*Clean-Up*") unless the Clean-Up Settlement Price together with any other Assets of the Series Trust available to the Trustee will be sufficient to redeem in full (after paying all amounts ranking in priority to the Notes in accordance with Section 8.9 ("*Payment of the Available Income Amount on a Distribution Date*") and Section 8.12 ("*Payment of the Available Principal Amount on a Distribution Date*")) the Invested Amount (or Stated Amount, if the Trustee is permitted to redeem Notes at their Stated Amount) of the Notes together with their accrued but unpaid interest to but excluding the Clean-Up Settlement Date.

## 10.13 Changes to Transaction Documents

Subject to the provisions described above in relation to amendments to the Master Trust Deed, the Series Supplement or the Security Trust Deed and as described in Section 8.21, ("*Refinancing of Class A1 Notes with Class A1-R Notes*"), the Trustee and the Manager may agree to amend any Transaction Document, and may enter into new Transaction Documents, after the relevant Notes have been issued and without the consent of Noteholders, provided that the Manager has provided a Rating Affirmation Notice in respect of each Rating Agency in relation to the proposed amendment or entry into a new Transaction Document (as applicable). In addition, the terms of the Interest Rate Swap Agreement allow the Manager and the Interest Rate Swap Provider (by agreement) to amend the credit support annexes to the Interest Rate Swap Agreement, which contain provisions relating to the lodgement of cash or other forms of collateral by the Interest Rate Swap Provider and the other action that the Interest Rate Swap Provider is required to take following a downgrade of its credit ratings by a Rating Agency, to reflect changes to the requirements of each relevant Rating Agency or to change the method according to which, under those credit support annexes, the Interest Rate Swap Provider will comply with those requirements, provided the Manager has provided a Rating Affirmation Notice in relation to each relevant Rating Agency.

# 11 The Servicer

## 11.1 Servicing of the Mortgage Loans

Under the Series Supplement, Commonwealth Bank of Australia is appointed as the initial Servicer of the Mortgage Loans with a power to delegate to related companies within the Commonwealth Bank of Australia group. The day to day servicing of the Mortgage Loans will be performed by the Servicer at Commonwealth Bank of Australia's Group Operations division, presently located in Sydney, Brisbane, Melbourne, Adelaide and Perth, and at the retail branches and telephone banking, Internet, Online Applications and marketing centres of Commonwealth Bank of Australia. Servicing procedures undertaken by Group Lending Services (a department within Group Operations) include partial loan security discharges, loan security substitutions and consents for subsequent mortgages as well as other day to day loan maintenance activities. Arrears management is undertaken by the collections area of the Commonwealth Bank of Australia. Customer enquiries are dealt with by the retail branches and telephone banking and marketing centres of Commonwealth Bank of Australia.

(d) **Appointment and Obligations of Servicer**

The Servicer is required to administer the Mortgage Loans in the following manner:

(i) in accordance with the Series Supplement;

(ii) in accordance with the Servicer's procedures manual and policies as they apply to those Mortgage Loans, which are under regular review and may change from time to time in accordance with business judgment and changes to legislation and guidelines established by relevant regulatory bodies; and

(iii) to the extent not covered by the preceding paragraphs, in accordance with the standards and practices of a prudent lender in the business of originating and servicing retail home loans.

The Servicer's actions in servicing the Mortgage Loans are binding on the Trustee, whether or not such actions are in accordance with the Servicer's obligations. The Servicer is entitled to delegate its duties under the Series Supplement. The Servicer at all times remains liable for the acts or omissions of any delegate to the extent that those acts or omissions constitute a breach of the Servicer's obligations.

(e) **Powers of Servicer**

The function of servicing the Mortgage Loans is vested in the Servicer and it is entitled to service the Mortgage Loans to the exclusion of the Trustee. The Servicer has a number of express powers, which include the power:

(i) to release a borrower from any amount owing where the Servicer has written-off or determined to write-off that amount or where it is required to do so by a court or other binding authority;

(ii) subject to the preceding paragraph, to waive any right in respect of the Mortgage Loans and their securities, except that the Servicer may not increase the term of a Mortgage Loan beyond 30 years from its settlement date unless required to do so by law or by the order of a court or other binding authority or if, in its opinion, such an increase would be made or required by a court or other binding authority;

(iii) to release or substitute any security for a Mortgage Loan in accordance with the relevant Mortgage Insurance Policy;

(iv) to consent to subsequent securities over a mortgaged property for a Mortgage Loan, provided that the security for the Mortgage Loan retains priority over any subsequent security for at least the principal amount and accrued and unpaid interest on the Mortgage Loan plus any extra amount determined in accordance with the Servicer's procedures manual and policies;

(v) to institute litigation to recover amounts owing under a Mortgage Loan, but it is not required to do so if, based on advice from internal or external legal counsel, it believes that the Mortgage Loan is unenforceable or such proceedings would be uneconomical;

(vi) to take other enforcement action in relation to a Mortgage Loan as it determines should be taken; and

(vii) to compromise, compound or settle any claim in respect of a Mortgage Insurance Policy or a general insurance policy in relation to a Mortgage Loan or a mortgaged property for a Mortgage Loan.

(f) **Undertakings by the Servicer**

The Servicer has undertaken, among other things, the following:

(i) upon being directed by the Trustee following a Perfection of Title Event, it will promptly take all action required or permitted by law to assist the Trustee to perfect the Trustee's legal title to the Mortgage Loans and related securities;

(ii) to make reasonable efforts to collect all moneys due under the Mortgage Loans and related securities and, to the extent consistent with the Series Supplement, to follow such normal collection procedures as it deems necessary and advisable;

(iii) to comply with its material obligations under each Mortgage Insurance Policy which is an Asset of the Series Trust;

(iv) it will notify the Trustee if it becomes actually aware of the occurrence of any Servicer Default or Perfection of Title Event;

(v) it will obtain and maintain all authorisations, filings and registrations necessary to properly service the Mortgage Loans;

(vi) it will only consent to the creation of a security interest in favour of a party, other than the Trustee or the Seller, if by way of priority agreement or otherwise the Servicer ensures that the relevant mortgage will rank ahead in priority to the third party's interest on enforcement for an amount not less than the principal amount (plus accrued unpaid interest) outstanding on the mortgage loan plus such extra amount as is determined in accordance with the servicing guidelines; and

(vii) subject to the provisions of the Australian Privacy Act and its duty of confidentiality to its clients, it will promptly make available to the Manager, the auditor of the Series Trust and the Trustee any books, reports or other oral or written information and supporting evidence of which the Servicer is aware that they reasonably request with respect to the Series Trust or the Assets of

the Series Trust or with respect to all matters in respect of the activities of the Servicer to which the Series Supplement relates.

(g) **Administer Interest Rates**

The Servicer must set the interest rates to be charged on the variable rate Mortgage Loans and the monthly instalment to be paid in relation to each Mortgage Loan. Subject to the next paragraph, while Commonwealth Bank of Australia is the Servicer, it must charge the same interest rates on the variable rate Mortgage Loans in the pool as it does for Mortgage Loans of the same product type which have not been assigned to the Trustee.

If a basis swap has been terminated while any Notes are outstanding then, unless the Trustee has entered into a replacement swap or other arrangements in respect of which the Manager has provided a Rating Affirmation Notice in relation to each Rating Agency, the Servicer must, subject to applicable laws, adjust the rates at which interest set-off benefits are calculated under the mortgage interest saver accounts and Everyday Offset accounts to rates which produce an amount of income which is sufficient to ensure that the Trustee has sufficient Finance Charge Collections and Other Income Amounts to enable it to pay the amounts included in the Required Income Amount as they fall due. If rates at which such interest set-off benefits are calculated have been reduced to zero and the amount of income produced by the reduction of the rates on the mortgage interest saver accounts and Everyday Offset accounts is not sufficient, the Servicer must ensure that the weighted average of the variable rates charged on the Mortgage Loans is subject to applicable laws, including the Consumer Credit Legislation, not lower than the Threshold Rate.

(h) **Collections**

The Servicer will receive collections on the Mortgage Loans from borrowers. If the Servicer is not an Eligible Depository, the Servicer must deposit any collections into the Collections Account within:

(i) if a Concentrations Event (as defined below) is subsisting, 1 Business Day; or

(ii) in any other case, 2 Business Days (or such other period as agreed between the Manager and the Servicer and in respect of which the Manager has issued a Rating Affirmation Notice),

following its receipt.

However if the Servicer is an Eligible Depository (in which case the Collections Account is permitted to be maintained with the Servicer) and the Servicer has a short term rating from S&P of "A-1" or higher, the Servicer is entitled to retain any Collections in respect of a Collection Period until 10.00am on the Business Day prior to the Distribution Date for that Collection Period, at which time it must deposit such Collections into the Collections Account, to the extent those Collections have not been applied during that Collection Period to reimburse the Seller for redraws and further advances as described in Section 8.16 ("*Redraws and Further Advances*").

If collections are retained by the Servicer as described above where the Collections Account is maintained with the Servicer, the Servicer may retain any interest and Other Income Amounts derived from those collections but must when depositing the collections into the Collections Account also deposit interest on the collections retained equal to the interest that would have been earned on the collections if they had been

deposited in the Collections Account within 2 Business Days of their receipt by the Servicer.

A **Concentrations Event** occurs if:

(a) the Servicer is not an Eligible Depository; and

(b) the Manager gives a notice to the Trustee and the Servicer that, in the reasonable opinion of the Manager:

(i) the scheduled receipts on the Mortgage Loans are such that a significantly disproportionate amount of the Collections scheduled to be received during a Collection Period is due from Borrowers on one or more days during a Collection Period; and

(ii) such circumstances are likely to result in a downgrade, withdrawal or qualification of any rating then assigned to the Notes by a Rating Agency,

and will subsist until such time as the Servicer becomes an Eligible Depository or the Manager confirms to the Trustee and the Servicer (accompanied by a Rating Affirmation Notice in relation to each Rating Agency) that the Manager considers (acting reasonably) that the circumstances described in sub-paragraphs (b)(i) and (ii) no longer exist.

(i) **Servicing Compensation and Expenses**

The Servicer is entitled to a fee, payable monthly in arrears on each Distribution Date.

The Servicer's fee may be varied by agreement between the Income Unitholder, the Manager and the Servicer provided that the Rating Agencies are notified and the Manager has first provided to the Trustee a Rating Affirmation Notice in respect of each Rating Agency in relation to the proposed variation.

The Servicer must pay from its own funds all expenses incurred in connection with servicing the Mortgage Loans except for certain specified expenses in connection with, amongst other things, the enforcement of any Mortgage Loan or its related securities, the recovery of any amounts owing under any Mortgage Loan or any amount repaid to a liquidator or trustee in bankruptcy pursuant to any applicable law, binding code, order or decision of any court, tribunal or the like or based on advice of the Servicer's legal advisers, which amounts are recoverable from the Assets of the Series Trust.

(j) **Liability of the Servicer**

The Servicer will not be liable for any loss incurred by any Noteholder, any creditor of the Series Trust or any other person except to the extent that such loss is caused by a breach by the Servicer or any delegate of the Servicer or any fraud, negligence or wilful default by the Servicer. In addition, the Servicer will not be liable for any loss in respect of a default in relation to a Mortgage Loan in excess of the amount outstanding under the Mortgage Loan at the time of default less any amounts that the Trustee has received or is entitled to receive under a Mortgage Insurance Policy in relation to that Mortgage Loan.

(k) **Removal, Resignation and Replacement of the Servicer**

If the Trustee has determined that the performance by the Servicer of its obligations under the Series Supplement is no longer lawful and there is no reasonable action that the Servicer can take to remedy this, or a Servicer Default is subsisting, the Trustee must by notice to the Servicer immediately terminate the rights and obligations of the Servicer and appoint another bank or appropriately qualified organisation to act in its place.

A "**Servicer Default**" occurs if:

(i) the Servicer fails to remit any collections or other amounts received within the time periods specified in the Series Supplement and that failure is not remedied within 5 Business Days (or such longer period as the Trustee may agree to and which the Manager has notified to each Rating Agency) of notice of that failure given to the Servicer by the Manager or the Trustee;

(ii) the Servicer fails to prepare and transmit the information required by the Manager by the date specified in the Series Supplement and that failure is not remedied within 20 Business Days (or such longer period as the Trustee may agree to and which the Manager has notified to each Rating Agency), of notice of that failure given to the Servicer by the Manager or the Trustee and that failure has or will have an Adverse Effect as reasonably determined by the Trustee;

(iii) a representation, warranty or certification made by the Servicer in a Transaction Document or in any certificate delivered pursuant to a Transaction Document proves incorrect when made and has or will have an Adverse Effect as reasonably determined by the Trustee and is not remedied within 60 Business Days after receipt by the Servicer of notice from the Trustee requiring remedy;

(iv) an Insolvency Event occurs in relation to the Servicer;

(v) if the Servicer is the Seller and is acting as custodian, it fails to deliver all the mortgage documents to the Trustee following a document transfer event in accordance with the Series Supplement and does not deliver to the Trustee the outstanding documents within 20 Business Days of receipt of a notice from the Trustee specifying the outstanding documents;

(vi) the Servicer fails to adjust the rates on the mortgage interest saver accounts or Everyday Offset accounts or fails to maintain the required Threshold Rate on the Mortgage Loans following termination of a basis swap and that failure is not remedied within 20 Business Days of its occurrence; or

(vii) the Servicer breaches its other obligations under a Transaction Document and that breach has or will have an Adverse Effect as reasonably determined by the Trustee and:

A. the breach is not remedied within 20 Business Days after receipt of notice from the Trustee or Manager requiring its remedy; and

B. the Servicer has not paid satisfactory compensation to the Trustee.

The Servicer will, within two Business Days after the Servicer becomes aware of any Servicer Default, give notice of such Servicer Default to the Trustee, the Manager and the Rating Agencies. The Manager will give notice or cause notice to be given of the Servicer Default to the Noteholders.

The Servicer indemnifies the Trustee in respect of all costs, damages, losses and expenses incurred by the Trustee as a result of any Servicer Default (including, without limitation, legal costs charged at the usual commercial rate of the relevant legal services provider and the costs of the transfer of the servicing functions to the new servicer) but excluding any costs, damages, losses and expenses which the Servicer is not liable or responsible for under the Series Supplement.

The Servicer may voluntarily retire if it gives the Trustee 3 months' notice in writing or such lesser period as the Servicer and the Trustee agree. Upon retirement the Servicer may appoint in writing any other corporation approved by the Trustee, acting reasonably. 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 Servicer's fee.

The appointment of a new servicer is subject to:

1. the new servicer executing a deed under which it covenants to act as servicer in accordance with the Series Supplement and all other Transaction Documents to which the Servicer is a party;

2. written notice by the Servicer to the Manager of the appointment; and

3. the Manager first providing to the Trustee a Rating Affirmation Notice in relation to the proposed appointment of a new servicer.

Upon any retirement or termination of the Servicer, or appointment of a new servicer, the Trustee will give or cause to be given notice of that retirement, termination or appointment to the Manager, the Noteholders and the Rating Agencies.

The Servicer and the Manager agree to provide their full co-operation with the transfer of the servicing functions to a new servicer. The Servicer and Manager must, subject to Australian privacy legislation and the Servicer's duty of confidentiality to its customers under general law or otherwise, provide the new servicer with copies of all paper and electronic files, information and other materials as the Trustee or the new servicer may reasonably request within 90 days of the removal of the Servicer.

The Servicer's duties and obligations under the Series Supplement continue until the date of the Servicer's retirement or removal as Servicer under the Series Supplement.

### (l) Incidental Mortgage Loan Term Extensions and Product Changes

If a Mortgage Loan that is an Asset of the Series Trust becomes subject to an Incidental Mortgage Loan Term Extension or Product Change (both defined below), Commonwealth Bank of Australia will not be regarded as having breached any of its obligations as Servicer under the Series Supplement that would otherwise prohibit that Incidental Mortgage Loan Term Extension or Product Change as a result (and no Servicer Default will occur as a result) if, Commonwealth Bank of Australia elects, in its absolute discretion, to pay to the Trustee the sum necessary to repay that Mortgage

Loan and makes such payment by no later than the last day of the Collection Period in which the Incidental Mortgage Loan Term Extension or Product Change takes effect. The amount of such payment from Commonwealth Bank of Australia must equal the principal balance plus accrued but unpaid interest and fees owing in respect of the Mortgage Loan as at the date of such payment and, following receipt by the Trustee, must be allocated by the Trustee to the Collections Account of the Series Trust. Upon such payment, the Mortgage Loan Rights relating to that Mortgage Loan will no longer form part of the Assets of the Series Trust and:

A. if a Perfection of Title Event has not occurred in relation to the relevant Mortgage Loan, the Trustee's right, title and interest in relation to the relevant Mortgage Loan and Mortgage Loan Rights will be extinguished in favour of Commonwealth Bank of Australia; or

B. subject to the Seller's right to repurchase any loan which would otherwise become an asset of the CBA Trust (see Section 6.4 "*Transfer and assignment of the Mortgage Loans*"), if a Perfection of Title Event has occurred in relation to the relevant Mortgage Loan, the Trustee will automatically hold its entire interest in the Mortgage Loan Rights relating to that Mortgage Loan for the CBA Trust.

An "**Incidental Mortgage Loan Term Extension**" in relation to a Mortgage Loan is an extension of the term to maturity of the Mortgage Loan beyond 30 years from the original settlement date for the Mortgage Loan which occurs (or will occur) as a result of the Mortgage Loan being split into multiple loans or converted to another loan type or otherwise restructured at the request of the relevant borrower.

A "**Product Change**" means any variation to a Mortgage Loan (including but not limited to a change of product type or inclusion of additional loan features) at the request of the relevant borrower, but does not include an Incidental Mortgage Loan Term Extension.

## 11.2 Custody of the Mortgage Loan Documents

(a) **Document Custody**

The Servicer will act as custodian in relation to all documents relating to the Mortgage Loans, the Seller's securities and, where applicable, the certificates of title to property subject to those securities, until a transfer of the Mortgage Loan documents to the Trustee as described below. The Servicer may appoint another party to hold documents relating to the Mortgage Loans on behalf of the Servicer ("**Sub-Custodian**"). If the Servicer appoints a Sub-Custodian, the Servicer will remain liable for the performance (or non-performance) of the Servicer's duties and responsibilities as custodian in relation to the Series Trust under the Transaction Documents. The Servicer (and not the Trustee) will also be solely responsible for the payment of the fees and expenses of any Sub-Custodian.

(b) **Responsibilities as Custodian**

The Servicer's duties and responsibilities as custodian include:

(i) holding the Mortgage Loan documents (in electronic form or otherwise) in accordance with its standard safe practices and in the same manner and to the same extent as it holds its own documents; and

(ii) maintaining a record (in electronic form or otherwise) of dealings with the Mortgage Loan documents.

(c) **Transfer of Mortgage Loan Documents**

If the Trustee replaces Commonwealth Bank of Australia as the Servicer when entitled to do so, the Servicer, upon notice from the Trustee, must deliver to the Trustee the Mortgage Loan documents held by it to the Trustee and procure delivery to the Trustee of any Relevant Mortgage Documents held by the Sub-Custodian (if any) (which delivery may be solely by electronic means or format, unless those Mortgage Loan documents are maintained in physical form by or on behalf of the Servicer). This obligation will be satisfied if the Servicer so delivers Mortgage Loan documents in relation to 90% by number of the Mortgage Loans within 5 Business Days of that notice and the balance within 10 Business Days of that notice.

If the Servicer does not deliver or procure delivery of the Mortgage Loan documents as outlined above and the Trustee is not satisfied that the Servicer has used its best endeavours to do so, the Trustee must within a reasonable period:

(i) execute and lodge caveats in respect of all land or mortgages for which all Mortgage Loan documents in respect of the Series Trust have not been delivered; and

(ii) initiate legal proceedings to receive the Mortgage Loan documents that have not been so delivered.

In addition, if:

1. the Trustee declares that a Perfection of Title Event has occurred other than a Servicer Default referred to in Section 11.1(k) ("*Servicing of the Mortgage Loans"*); or

2. the Trustee considers in good faith that a Servicer Default has occurred as a result of a breach of certain of the Servicer's obligations which has or will have an Adverse Effect which is not remedied within the required period, and the Trustee serves a notice on the Servicer identifying the reasons why it believes that has occurred,

the Servicer must, immediately following notice from the Trustee, deliver or procure delivery of the Mortgage Loan documents to the Trustee. The Trustee may commence legal proceedings to enforce compliance by the Servicer.

The Servicer, as custodian, is not required to deliver Mortgage Loan documents that are deposited with a solicitor acting on behalf of the Servicer, a land titles office, a stamp duty office or a governmental agency or are lost but must provide a list of these to the Trustee and deliver them upon receipt or take steps to replace them, as applicable.

(d) **Reappointment of Servicer as Custodian**

The Trustee may, following a transfer of Mortgage Loan documents as described in paragraph (c) above, reappoint the Servicer as custodian of the Mortgage Loan documents provided that the Rating Agencies confirm that this will not cause a reduction, qualification or withdrawal in the credit rating of any Note.

(e) **Indemnity**

The Servicer as custodian will indemnify the Trustee against all loss, costs, damages, charges and expenses incurred by the Trustee:

(i) in connection with the Trustee taking the action to lodge caveats and taking legal proceedings to receive the Mortgage Loan documents that have not been delivered as required under paragraph (c) above;

(ii) in connection with the Trustee taking legal proceedings pursuant to paragraph (c) above to receive the Mortgage Loan documents following the failure of the Servicer as custodian (or any Sub-Custodian, as applicable) to deliver the Mortgage Loan documents as required after a Perfection of Title Event.

## 11.3 Commonwealth Bank of Australia - Collection and Enforcement Procedures

Pursuant to the terms of the Mortgage Loans, borrowers must make the minimum repayment due under the terms and conditions of the Mortgage Loans, on or before each monthly instalment due date. A borrower may elect to make his or her repayments weekly or fortnightly so long as the equivalent of the minimum monthly repayment is received on or before the monthly instalment due date. Borrowers often select repayment dates to coincide with receipt of their salary or other income. In addition to payment to a retail branch by cash or cheque, Mortgage Loan repayments may be made by direct debit to a nominated bank account or direct credit from the borrower's salary by their employer.

A Mortgage Loan is subject to action in relation to arrears of payment whenever the monthly repayment is not paid by the monthly instalment due date. However, under the terms of the Mortgage Loans, borrowers may prepay amounts which are additional to their required monthly repayments to build up a "credit buffer", being the difference between the total amount paid by them and the total of the monthly repayments required to be made by them. If a borrower subsequently fails to make some or all of a required monthly repayment, the servicing system will apply the amount not paid against the credit buffer until the total amount of missed payments exceeds the credit buffer. The Mortgage Loan will be considered to be arrears only in relation to that excess.

Commonwealth Bank of Australia's automated collections system identifies all Mortgage Loan accounts which are in arrears and produces lists of those Mortgage Loans. The collection system allocates overdue loans to designated collection officers within Commonwealth Bank of Australia who take action in relation to the arrears.

Actions taken by Commonwealth Bank of Australia in relation to delinquent accounts will vary depending on a number of elements, including the following and, if applicable, with the input of a mortgage insurer:

(a) arrears history;

(b) equity in the property; and

(c) arrangements made with the borrower to meet overdue payments.

If satisfactory arrangements cannot be made to rectify a delinquent Mortgage Loan, legal notices are issued and recovery action is initiated by Commonwealth Bank of Australia. This includes, if Commonwealth Bank of Australia obtains possession of the mortgaged property, ensuring that the mortgaged property supporting the Mortgage Loan still has adequate general home owner's insurance and that the upkeep of the mortgaged property is maintained. Recovery action is arranged by experienced collections staff in conjunction with internal or external legal advisers. A number of sources of recovery are pursued including the following:

(a) voluntary sale by the mortgagor;

(b) guarantees;

(c) government assistance schemes;

(d) mortgagee sale;

(e) claims on mortgage insurance; and

(f) action against the mortgagor/borrower personally.

It should be noted that the Commonwealth Bank of Australia reports all actions that it takes on overdue Mortgage Loans to the relevant mortgage insurer where required in accordance with the terms of the Mortgage Insurance Policies.

## 11.4 Collection and Enforcement Process

When a Mortgage Loan becomes delinquent a contact strategy is initiated to seek repayment of the overdue amounts. Contacts can include digital messages on the mobile platforms, automated phone calls or letters. The point at which contact commences depends on the risk profile of the account, but this will generally be in the first seven days. In the absence of successful contact, a phone call is made to the borrower. If the Mortgage Loans have a direct debit payment arrangement and there are sufficient funds available, a sweep of the nominated account is made to rectify the arrears.

If an arrangement has not been entered into to rectify the arrears, a default notice is sent advising the borrower that if the matter is not rectified within a period of 30 days, Commonwealth Bank of Australia is entitled to commence enforcement proceedings without further notice. The days delinquent that the notice is sent is dependent on the risk profile of the account. Generally, a default notice will be sent by day 60. Normally a further notice will be issued to a borrower on an account which is 90 days delinquent advising the borrower that failure to comply within 30 days will result in Commonwealth Bank of Australia exercising its power of sale. At 120 days delinquent, a letter of demand and notice to vacate is issued to the borrower. If there is still no arrangement for payments from the customer, a statement of claim is issued by the time the account is 150 days delinquent. Service of a statement of claim is the initiating process in the relevant Supreme Court.

Once a borrower is served with a statement of claim, the borrower is given up to 40 days to file a notice of appearance and defence and, failing this, Commonwealth Bank of Australia will apply to the court to have judgment entered in its favour. Commonwealth Bank of Australia will then apply for a writ of possession whereby the sheriff will set an eviction date. Appraisals and valuations are ordered and a reserve price is set for sale by way of public auction, tender or private treaty. These time frames assume that the borrower has either taken no action or has not honoured any commitments made in relation to the delinquency to the satisfaction of the Commonwealth Bank of Australia and the mortgage insurer.

It should also be noted that Commonwealth Bank of Australia's ability to exercise its power of sale on the mortgaged property is dependent upon the statutory restrictions of the relevant state or territory as to notice requirements. In addition, there may be factors outside the control of the mortgagee such as whether the mortgagor contests the sale and the market conditions at the time of sale. These issues may affect the length of time between the decision of Commonwealth Bank of Australia to exercise its power of sale and final completion of the sale.

The collection and enforcement procedures may change from time to time in accordance with business judgment and changes to legislation and guidelines established by the relevant regulatory bodies.

# 12 Taxation considerations

The following is a summary of the material Australian withholding tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, "**Australian Tax Act**"), the Taxation Administration Act 1953 of Australia ("**Taxation Administration Act**") and any relevant rulings, judicial decisions or administrative practice, as at the time of this Information Memorandum of the purchase, ownership and disposition of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes ("**Notes**") by Noteholders who purchase the Notes on original issuance at the stated offering price and do not hold the Notes as trading stock. It also sets out a summary of certain other Australian tax matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of Noteholders (including, dealers in securities, custodians or other third parties who hold Notes on behalf of any Noteholders).

This summary represents Australian law and administrative practice of the Australian Taxation Office, as in effect on the date of this Information Memorandum which is subject to change, possibly with retroactive effect, and should be treated with appropriate caution.

The following is not, and should not be construed as, legal or tax advice. It is a general guide only and each prospective Noteholder should consult his or her own tax advisors concerning the tax consequences, in their particular circumstances, of the purchase, ownership and disposition of any Notes.

## 12.1 Tax Issues for the Series Trust

The Series Trust will form part of a consolidated group for Australian income tax purposes. Under consolidation, the head company of the consolidated group has the liability to pay the income tax of the group. Further comments on consolidation are in Section 12.4(a) below.

## 12.2 Interest Withholding Tax

(a) **Australian interest withholding tax**

Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act ("**IWT**") will apply in relation to payments of interest (or payments in the nature of interest, as defined in section 128A of the Australian Tax Act) on any Notes which are held by a non-resident of Australia (other than a non-resident holding the Notes in carrying on business at or through a permanent establishment in Australia) or a resident holding the Notes in carrying on business at or through a permanent establishment outside Australia unless an exemption is available.

(b) **Exemption in section 128F**

An exemption from IWT is available, in respect of Notes issued by the Trustee under section 128F of the Australian Tax Act, if the following conditions are met:

(i) the Trustee is a company as defined in section 128F(9) (which includes certain companies acting in their capacity as trustee) and a resident of Australia when it issues those Notes and when interest is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;

(ii) those Notes are debentures or debt interests and are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital

markets are aware that the Trustee is offering those Notes for issue. In summary, the five methods are:

A. offers to 10 or more unrelated financiers, securities dealers or entities that carry on the business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;

B. offers to 100 or more investors of a certain type;

C. certain offers of listed Notes;

D. certain offers via publicly available information sources; and

E. offers to a dealer, manager or underwriter who offers to sell those Notes within 30 days by one of the preceding methods.

(iii) the Trustee does not know or have reasonable grounds to suspect, at the time of issue, that those Notes or interests in those Notes were being, or would later be, acquired, directly or indirectly, by an "associate" of the Trustee, except as permitted by section 128F(5) of the Australian Tax Act (see below); and

(iv) at the time of the payment of interest, the Trustee does not know, or have reasonable grounds to suspect, that the payee is an "associate" of the Trustee, except as permitted by section 128F(6) of the Australian Tax Act (see below).

(c) **Associates**

Since the Trustee is a trustee of a trust, the entities that are "associates" of the Trustee for the purposes of section 128F of the Australian Tax Act include:

(i) any entity that benefits, or is capable of benefiting, under the trust ("**Beneficiary**"), either directly or through any interposed entities; and

(ii) if the Beneficiary is a company, an "associate" of that Beneficiary, which would, for these purposes, include:

A. a person or entity that holds more than 50% of the voting shares in, or otherwise controls, the Beneficiary;

B. an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Beneficiary;

C. a trustee of a trust where the Beneficiary is capable of benefiting (whether directly or indirectly) under that trust; and

D. a person or entity that is an "associate" of another person or entity that is an "associate" of the Beneficiary under sub-paragraph A above.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (a)(iii) and (a)(iv) above), the issue of the relevant Notes to, and the payment of interest to, the following "associates" may still qualify for the exemption from IWT under section 128F:

(iii) onshore "associates" (ie Australian resident "associates" who do not hold Notes in carrying on business at or through a permanent establishment outside

Australia and non-resident "associates" who hold the Notes in carrying on business at or through a permanent establishment in Australia); or

(iv) offshore "associates" (ie Australian resident "associates" that hold the Notes in carrying on business at or through a permanent establishment outside Australia and non-resident "associates" who do not hold the Notes in carrying on business at or through a permanent establishment in Australia) who are acting in the capacity of:

A. in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme; or

B. in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

(d) **Compliance with section 128F of the Australian Tax Act**

The Notes are "debentures" for the purposes of section 128F of the Australian Tax Act. Interest payable on the Notes would be "interest" for the purposes of the withholding tax provisions.

The Trustee intends to issue the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

(e) **Exemptions under recent Tax Treaties**

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

In broad terms, those treaties prevent IWT being imposed on payments of interest derived by either:

(i) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; or

(ii) a "financial institution" which is a resident of a "Specified Country" and which is unrelated to and dealing wholly independently with the Australian Trustee. The term "financial institution" refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.

Specified Countries include the United States, the United Kingdom, Germany, France, Finland, Norway, Japan, New Zealand, South Africa and Switzerland.

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

(f) **No payment of additional amounts**

Despite the fact that the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are intended to be issued in a manner which will satisfy the requirements of section 128F of the Australian Tax Act, if the Trustee is at any time compelled or authorised by law to withhold or deduct an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of any of the Notes, the Trustee is not obliged to pay any additional amounts in respect of such withholding or deduction.

### 12.3 Other tax matters that are relevant to Noteholders

Discussed below is a general discussion of certain matters that are relevant to Noteholders, under Australian laws as presently in effect.

(a) **Other taxes**

(i) *death duties* - no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;

(ii) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Notes;

(iii) *supply withholding tax* - payments in respect of the Notes can be made free and clear of the "supply withholding tax" imposed under Section 12-190 of Schedule 1 to the Taxation Administration Act; and

(iv) *garnishee directions* – The Commissioner of Taxation may give a direction under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act or any similar provision requiring the Trustee to deduct or withhold from any payment to any other party (including any Noteholder) any amount in respect of tax payable by that other party. If the Trustee is served with such a direction, the Trustee will comply with that direction and make any deduction or withholding required by that direction.

(b) **Non-Australian Noteholders**

(i) *income tax* - assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, payments of principal and interest to a Noteholder of those Notes, who is a non-resident of Australia and who, during the taxable year, does not hold those Notes in carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes;

(ii) *gains on disposal or redemption of Notes* - a Noteholder of the Notes, who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of Notes by a non-Australian resident Noteholder to another non-Australian resident where the Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not be expected to have an Australian source. In certain cases, a non-resident Noteholder may be able to claim a

treaty exemption in relation to Australian sourced gains if there is a relevant double tax convention;

(iii) *deemed interest* - there are specific rules that can apply to treat a portion of the purchase price of Notes as interest for IWT purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold by a non-Australian Noteholder to an Australian resident (who does not acquire them in carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in carrying on business at or through a permanent establishment in Australia. If the Notes are not issued at a discount and do not have a maturity premium, these rules should not apply to the Notes. These rules also do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the Notes had been held to maturity by a non-resident; and

(iv) *additional withholdings from certain payments to non-residents* - Section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are treated as interest under the IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations that have so far been promulgated under section 12-315 prior to the date of this Information Memorandum are not applicable to any payments in respect of the Notes. Any further regulations also should not apply to repayments of principal under the Notes, as, in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of the Notes will need to be monitored; and

(v) *other withholding taxes on payments in respect of Notes*:

A. Section 12-140 of Schedule 1 to the Taxation Administration Act imposes a type of withholding tax (see paragraph (c)(iii) below for the rate of withholding tax) on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number ("**TFN**") or an Australian Business Number ("**ABN**") (in certain circumstances) or provided proof of some other exemption (as appropriate). Assuming that the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, then the requirements of Section 12-140 do not apply to payments to a Noteholder of Notes in registered form who is not a resident of Australia and not holding those Notes in the course of carrying on business at or through a permanent establishment in Australia; and

B. Section 126 of the Australian Tax Act imposes a type of withholding tax on the payment of interest on debentures payable to bearer (other than certain promissory notes) where the issuer fails to disclose to the ATO the names and addresses of the holders. As the Notes are in registered form, any interest payable under the Notes would not be subject to tax under section 126 of the Australian Tax Act; and

(vi) *debt/equity rules* – Division 974 of the Australian Tax Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and IWT. The Trustee intends to issue Notes which should not be characterised as equity interests for the purposes of the tests contained in Division 974. Returns paid on the Notes are expected to be "interest" for the purpose of section 128F of the Australian Tax Act. Accordingly, Division 974 is unlikely to affect the Australian tax treatment of holders of Notes; and

(vii) *mutual assistance in the collection of debts* - The Commissioner of Taxation has some powers to collect a taxation debt on behalf of certain foreign taxation authorities if formally requested to do so, or to take conservancy measures to ensure the collection of that debt. Conservancy is concerned with preventing a taxpaying entity from dissipating their assets when they have a tax related liability. The provisions also treat Australian tax debts collected and remitted to Australia by a foreign tax authority as tax debts collected in Australia. In certain circumstances, any foreign tax liabilities of a non-resident Noteholder of the Notes the subject of the measures may be collected by Australia on behalf of another country.

(c) **Australian Noteholders**

(i) *income tax* - Australian residents or non-Australian residents who hold the Notes in carrying on business at or through a permanent establishment in Australia ("**Australian Noteholders**"), will be assessable for Australian tax purposes on income either received or accrued due to them in respect of the Notes. Whether income will be recognised on a cash receipts, accruals basis, or subject to the taxation of financial arrangements provisions (set out at paragraph (d) below) will depend upon the tax status of the particular Noteholder and the terms and conditions of the Notes. Special rules apply to the taxation of Australian residents who hold the Notes in carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;

(ii) *gains on disposal of Notes* - Australian Noteholders will be required to include any gain or loss on disposal of the Notes in their taxable income. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;

(iii) *other withholding taxes on payments in respect of Notes* - Payments to Australian Noteholders of Notes in registered form may be subject to a withholding where the Noteholder does not quote a TFN or ABN or provide proof of an appropriate exemption (as appropriate). The rate of withholding tax under current law is 47%; and

(iv) *taxation of foreign exchange gains and losses* - Divisions 230, 775 and 960 of the Australian Tax Act, together with related regulations, contain rules to deal with the taxation consequences of foreign exchange transactions. As all payments under the Notes will be in Australian dollars, these rules should not apply to the Australian Noteholders.

(d) **Taxation of Financial Arrangements**

The Australian Tax Act contains tax-timing rules for certain taxpayers to bring to account gains and losses from "financial arrangements". The rules do not alter the rules relating to the imposition of IWT nor override the IWT exemption available under section 128F of the Australian Tax Act.

In addition, the rules do not apply to certain taxpayers or in respect of certain short term "financial arrangements". They should not, for example, generally apply to Noteholders which are individuals and certain other entities (eg certain superannuation entities and managed investment schemes) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their "financial arrangements". Potential Noteholders should seek their own tax advice regarding their own personal circumstances as to whether such an election should be made.

## 12.4 Other tax matters that are relevant to the Series Trust

(a) **Tax Consolidation Rules**

Under the tax consolidation rules, the Series Trust will be a member of a consolidated group. Under consolidation, the transactions entered into by the members of the consolidated group are effectively ignored for certain income tax purposes and attributed to the head company. The head company has the liability to pay the income tax of the group. However, if the head company fails to make a relevant tax payment promptly, then there is (prima facie) joint and several liability on all group members to pay that tax. That joint and several liability can be avoided by allocating the relevant tax obligation to the group members on a reasonable basis under a tax sharing agreement. The Series Trust will be party to a tax sharing agreement and such agreement is expected to be considered to be a "valid" tax sharing agreement for these purposes.

(b) **Goods and Services Tax**

Neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore non-resident subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Series Trust, nor the disposal of the Notes, would give rise to any GST liability on the part of the Series Trust in Australia.

The supply of some services made to the Series Trust may give rise to a liability for GST on the part of the relevant service provider.

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

(i) In the ordinary course of business, the service provider would charge the Series Trust an additional amount on account of GST unless the agreed fee is already GST-inclusive.

(ii) The Series Trust would be entitled to full input tax credits to the extent that the acquisition relates to a GST-free supply (i.e. where the subscriber is an offshore non-resident) and, assuming that the Series Trust exceeds the financial acquisitions threshold for the purposes of Division 189 of the GST Act, which is likely to be the case, the Series Trust would not be entitled to a full input tax credit from the ATO in certain circumstances, including to the extent that the acquisition relates to the acquisition by the Series Trust of the Mortgage Loans.

In the case of acquisitions which relate to the making of supplies where the Series Trust would not be entitled to full input tax credits, the Series Trust may still be entitled to a "reduced input tax credit" ("**RITC**") in relation to certain acquisitions prescribed in the GST regulations, but only where the Series Trust is the recipient of the taxable supply and the Series Trust either provides or is liable to provide the consideration for the taxable supply. A RITC is equivalent to 75% of the value of a full input tax credit, except in respect of the acquisition of certain services made by trustees, in which case the reduced input tax credit will be 55% if the trust concerned is a "recognised trust scheme". A trust is not a "recognised trust scheme" if it is a "securitisation entity". On the basis that the Series Trust satisfies the definition of being a "securitisation entity", the Series Trust will not be a "recognised trust scheme" and the RITC available to the Series Trust in respect of the acquisition of services from the Trustee and the Security Trustee will be 75% of the GST payable by the Trustee and Security Trustee respectively. The availability of RITCs will reduce the expenses of the Trust.

(iii) Where services are provided to the Series Trust by an entity comprising an associate of the Series Trust for income tax purposes, those services are provided for nil or less than market value consideration, and the Series Trust would not be entitled to a full input tax credit, the relevant GST (and any input tax credit) would be calculated by reference to the market value of those services. The associate may be entitled to recover the GST calculated by reference to the market value of the services from the Series Trust. Depending on the nature of the services supplied the Series Trust, if the associate charges the Series Trust GST in relation to those services, the Series Trust may be entitled to partly recover the GST charged to it as a RITC.

(iv) Where GST is payable on a taxable supply made to the Series Trust but a full input tax credit is not available, this will mean that less money is available to pay interest on the Notes or other liabilities of the Series Trust.

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

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

The Series Trust may be added to a GST group, of which the Commonwealth Bank of Australia is the representative member. From the time that the Series Trust is added to such a GST group, the transactions entered into by the members of the GST group are effectively ignored for certain GST purposes and attributed to the representative member. The representative member has the liability to pay the GST payable by (and input tax credits payable to) the group. However, if the representative member fails to make a relevant GST payment promptly, then there is (prima facie) joint and several

liability on all group members to pay that GST. That joint and several liability can be avoided by allocating the relevant "contribution amounts" to the group members on a reasonable basis under an indirect tax sharing agreement ("ITSA"). In the event of GST grouping, the Series Trust will become party to an ITSA.

(c) **Taxation of trusts**

The Australian Government has proposed to amend the rules relating to the taxation of trusts in Division 6 of Part III of the Australian Tax Act. It is not currently expected that the outcome of the Government's reform of the taxation of trusts should adversely affect the tax treatment of the Series Trust, however, any proposed changes should be monitored.

On 5 May 2016, the Tax Laws Amendment *(New Tax System for Managed Investment Trusts*) Act 2016 (the "**Act**") received Royal Assent. The Act introduced a new managed investment trust regime with effect from 1 July 2016. These amendments only apply to qualifying attribution managed investment trusts ("**AMIT**"). On the basis of the character of the unitholder of the Trust, it is not expected that the Series Trust would qualify as an AMIT.

The Act also amended the definition of exempt entities for the purpose of identifying a public unit trust for the purpose of Division 6C of the Australian Tax Act with effect from 1 July 2016. This change should not adversely affect the Series Trust.

# 13 Ratings of the Notes

The issuance of:

(a) the Class A1 Notes and the Class A2 Notes will be conditioned on obtaining ratings of AAA(sf) by S&P and AAAsf by Fitch Ratings;

(b) the Class B Notes will be conditioned on obtaining ratings of at least AA(sf) by S&P;

(c) the Class C Notes will be conditioned on obtaining ratings of at least A(sf) by S&P;

(d) the Class D Notes will be conditioned on obtaining ratings of at least BBB(sf) by S&P; and

(e) the Class E Notes will be conditioned on obtaining ratings of at least BB(sf) by S&P.

You should independently evaluate the security ratings of each Class of Notes from similar ratings on other types of securities. A security rating is not a recommendation to buy, sell or hold securities. A rating does not address the market price or suitability of the Notes for an investor. A rating may be subject to revision or withdrawal at any time by the Rating Agencies. The rating does not address the expected schedule of principal repayments other than to say that principal will be returned no later than the Final Maturity Date of the Notes. None of the Rating Agencies have been involved in the preparation of this Information Memorandum.

# 14 Selling Restrictions

## 14.1 Introduction

No action has been taken by the Trustee or the Dealers which would or is intended to permit a public offer of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes (together, the "**Relevant Notes**") in any country or jurisdiction where action for that purpose is required. Neither this Information Memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed in or from or published in any country or jurisdiction except under circumstances which will result in compliance with applicable laws and regulations.

## 14.2 US Selling Restrictions

The Relevant Notes have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**") and the Trustee has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended ("**Investment Company Act**"). An interest in the Relevant Notes may not be offered or sold within the United States or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S under the Securities Act ("**Regulation S**")) at any time except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act.

## 14.3 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Relevant Notes has been or will be lodged with ASIC and:

(a) no invitation or offer, directly or indirectly, of the Relevant Notes has been or will be made for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and

(b) no Information Memorandum or any other offering material or advertisement relating to any Relevant Notes in Australia may be distributed or published; and

(c) any person to whom Relevant Notes (or an interest in them) are issued or sold must not, make such an offer or distribute or publish any such document,

unless, in either case:

(i) either (x) the minimum aggregate consideration payable by each offeree or invitee on acceptance of the offer is at least A$500,000 (or its equivalent in an alternate currency) (disregarding monies lent by the offeror or its associates), (y) the offer is to a professional investor for the purposes of section 708 of the Corporations Act, or (z) the offer does not otherwise require disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act;

(ii) the offer or invitation does not constitute an offer to a Retail Client;

(iii) such action complies with other applicable laws and directives in Australia (including, without limitation the financial services licensing requirements of the Corporations Act); and

(iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

### 14.4 European Economic Area

The Relevant Notes are not intended to be offered, sold or otherwise made available to and, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a "**retail investor**" means a person who is one (or more) of: (1) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (2) a customer within the meaning of Directive EU2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (3) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended). Consequently, no key information document as required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Relevant Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Relevant Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

### 14.5 The Republic of Ireland

No person may:

(a) offer or sell any Relevant Notes, except in accordance with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 ("**Prospectus Regulations**") and the provisions of the Irish Companies Act 1963-2005 (as amended) and any rules issued under section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Irish Central Bank and the Irish Financial Services Regulatory Authority

(b) offer or sell any Relevant Notes other than in compliance with the provisions of the Market Abuse (Directive 2003/6/EU) Regulations 2016 (Ireland) and any rules issued under section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Irish Central Bank and the Irish Financial Services Regulatory Authority;

(c) it will not underwrite the issue of, or place, the Relevant Notes in the Republic of Ireland, otherwise than in conformity with the provisions of the Central Bank Acts 1942-2011 (Ireland) (as amended) and any codes of conduct made under Section 117(1) of the Central Bank Act 1989 (Ireland); or

(d) underwrite the issue or place the Relevant Notes otherwise than in accordance with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including without limitation section 9, 23 (including any advertising restrictions made under that section), 50 and 37 (including any codes of conduct issued under that section) and the provisions of the Irish Investor Compensation Act 1998, including without limitation, section 21.

### 14.6 The United Kingdom

In relation to each Class of Relevant Notes, each person subscribing for the Relevant Notes:

(a) may only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of any Relevant Notes in circumstances in which section 21(1) of the FSMA does not apply to the Trustee; and

(b) must comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Relevant Notes in, from or otherwise involving the United Kingdom.

### 14.7 Hong Kong

No person may:

(a) offer or sell and in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Relevant Notes other than (i) to ''professional investors'' within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended ("**SFO**") and any rules made under the SFO; or (ii) in circumstances which do not result in the document being a ''prospectus'' within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) ("**CWMO**") or which do not constitute an offer to the public within the meaning of the CWMO; and

(b) unless permitted to do so under the laws of Hong Kong, issue or have in its possession for the purpose of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation, offering material or document relating to the Relevant Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong other than with respect to the Relevant Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to ''professional investors'' within the meaning of the SFO and any rules made under that Ordinance.

### 14.8 Japan

The Relevant Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended and reviewed) (the "**Financial Instruments and Exchange Act**") and, accordingly, no person may offer or sell any Relevant Notes, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (which term as used herein means any person resident in Japan or a juridical person having its main office in Japan as defined in Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949), including any corporation having its principal office in or other entity organised under the laws of Japan. Any branch or office in Japan of a non-resident will be deemed to be a resident for the purpose whether such branch or office has the power to represent such non-resident), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ordinances promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time.

### 14.9 New Zealand

No person may offer for sale or transfer or directly or indirectly offer for sale or transfer any Relevant Notes in a manner that makes the Relevant Notes the subject of a regulated offer for the purposes of the Financial Markets Conduct Act 2013 of New Zealand (the "**FMCA**"). In particular, the Relevant Notes have and will only be offered or transferred either:

(a) to persons who are "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the FMCA, being a person who is:

(i) an "investment business"

(ii) "large", or

(iii) a "government agency"

in each case as defined in Schedule 1 to the FMCA; or

(b) in other circumstances where there is no contravention of the FMCA, provided that (without limiting paragraph (a) above) Relevant Notes may not be offered or transferred to any "eligible investors" (as defined in the FMCA) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMCA.

No person must distribute this Information Memorandum, any series supplement or other Transaction Document, terms or any information or other material that may constitute an advertisement (as defined in the FMCA) in relation to any offer of the Relevant Notes in New Zealand other than to any such persons as referred to in the applicable paragraphs above.

## 14.10 Switzerland

This Information Memorandum does not constitute a prospectus within the meaning of Article 652A of the Swiss Code of Obligations and Article 1156 et seq. of the Swiss Code of Obligations. The Relevant Notes may not be publicly offered or distributed in or from Switzerland, and neither the preliminary Information Memorandum, the final Information Memorandum nor any other offering materials relating to any of the Relevant Notes may be publicly distributed in connection with any such offering or distribution.

This Information Memorandum does not constitute a public offering prospectus as that term is understood pursuant to Article 1156 et seq. of the Code of Obligations. The Trustee has not applied for a listing of the Relevant Notes on the SIX Swiss Exchange and as a result, the information set out in this Information Memorandum does not necessarily comply with the information standards set out in the relevant listing rules. The Relevant Notes will not be publicly offered or sold in Switzerland. No person may publicly offer or distribute the Relevant Notes in or from Switzerland, and neither the preliminary Information Memorandum, the final Information Memorandum nor any other offering materials relating to any of the Relevant Notes may be publicly distributed in connection with any such offering or distribution.

Further, to the extent that the Relevant Notes qualify as structured products within the meaning of the Swiss Collective Investment Schemes Act (the "**CISA**"), no person may publicly offer, sell or advertise the Relevant Notes in or from Switzerland, as such term is defined or interpreted under the CISA, and neither this Information Memorandum nor any other document related to the Relevant Notes may be publicly distributed or otherwise made publicly available in Switzerland.

## 14.11 Singapore

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore and the Relevant Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore, as amended (the "**Securities and Futures Act**"). Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Relevant Notes may not be circulated or distributed, nor may the Relevant Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act) pursuant to section 274 of the Securities and Futures Act, (b) to a relevant person (as defined in Section 275(2) of the Securities and Futures Act) pursuant to Section 275(1) of the Securities and Futures Act, or to any person pursuant to section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in section 275 of the Securities and Futures Act, or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Relevant Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

(a) a corporation (which is not an accredited investor as defined in section 4A of the Securities and Futures Act) 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,

the securities (as defined in Section 2(1) of the Securities and Futures Act) or securities-based derivatives contracts (as defined in Section 2(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable within 6 months after that corporation or that trust has acquired the Relevant Notes under section 275 of the Securities and Futures Act except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law; or

(iv) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

### 14.12 Republic of China

The Relevant Notes may not be sold or offered in the Republic of China and may only be offered and sold to Republic of China resident investors from outside the Republic of China in such a manner as complies with securities laws and regulations applicable to such cross border activities in the Republic of China.

### 14.13 General

These selling restrictions may be modified by agreement between the Dealers following a change in or clarification of a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country concerned or any change in or introduction of any of them or in interpretation or administration.

# 15 Listing on a stock exchange

## 15.1 Application for Listing

Subject to investor demand and other relevant considerations, Securitisation Advisory Services Pty Limited, as Manager, may, at its absolute discretion, apply to list the Class A1 Notes and the Class A2 Notes on the Australian Securities Exchange or any other stock exchange after the Closing Date. However, there can be no assurance that any such application, if made, will be approved and, accordingly, the issuance and settlement of Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on the Closing Date is not conditional on the listing of any Class A1 Notes or Class A2 Notes on the Australian Securities Exchange or on any other stock exchange. If any such application for listing and/or trading is made, Perpetual Trustee Company Limited will not be taken to have authorised or made the application. The Class B Notes, the Class C Notes, the Class D Notes, the Class E Note and the Class F Notes have not been, and will not be, admitted to listing or to trading on any stock exchange.

## 15.2 Additional Information

If and for so long as any Class A1 Notes or Class A2 Notes are listed on a stock exchange and the rules of that stock exchange so require, copies of notices to holders of the listed Class A1 Notes or Class A2 Notes must be forwarded in final form to the appropriate office of that stock exchange, no later than the day of dispatch and copies of any Transaction Documents required to be made publicly available will be made available during normal business hours at the registered office of the Manager or any listing agent appointed by the Manager for the purposes of listing on that stock exchange.

If any application is made for listing of the Class A1 Notes and Class A2 Notes on a stock exchange, the Manager will undertake that, for as long as the Class A1 Notes or Class A2 Notes are listed on the stock exchange, it will, if required under the rules of the relevant stock exchange, notify that stock exchange of any material amendment to any Transaction Document and if any party to any Transaction Document resigns or is replaced, together with details of any relevant replacement party.

Except for the transactions described in this Information Memorandum relating to the issuance of the Notes, as at the date of this Information Memorandum, the Series Trust has not commenced operations and no financial statements relating to the Series Trust have been prepared.

The Series Trust was established on 26 September 2019 in the State of New South Wales, Australia by the Trustee, the Manager, Commonwealth Bank of Australia as the Servicer and the Seller, executing the Notice of Creation of Series Trust and the Manager settling A$10 on the Trustee. The Series Trust is governed by the laws of New South Wales, Australia. The Series Trust is a special purpose entity established to issue Notes, to apply the proceeds thereof to acquire the Mortgage Loans from the Seller and to hold the Mortgage Loans in accordance with the Transaction Documents.

As at the date of this Information Memorandum, the Series Trust has no borrowings or indebtedness (other than the Notes) and there has been no change in the capitalisation of the Series Trust since it was established.

The Trustee is not involved in any litigation, arbitration or governmental proceedings which may have, or have had during the 12 months preceding the date of this Information Memorandum, a significant effect on the Trustee's financial position nor, as far as the Trustee is aware, are any such litigation, arbitration or governmental proceedings pending or threatened.

From the date of creation of the Series Trust, to the date of issue of the Class A1 Notes and the Class A2 Notes, the Trustee has not, in its capacity as trustee of the Series Trust, carried on any business. The Series Trust is not required by Australian law and does not intend to publish annual reports and accounts, and no accounts with respect to the Series Trust have been prepared prior to the date of this Information Memorandum.

The Manager is the administrator of the Series Trust. The Manager can be contacted on +61 2 9118 1273. The Trustee can be contacted on +61 2 9229 9000.

# 16 Transaction Documents

The documents referred to below are the Transaction Documents in respect of the Series Trust:

(a) the Master Trust Deed between the Trustee and the Manager, dated 8 October 1997 (as amended);

(b) the Notice of Creation of Series Trust between the Trustee and the Manager dated 26 September 2019;

(c) the Series Supplement between the Trustee, the Manager and Commonwealth Bank of Australia (as the Seller and the Servicer), dated 22 November 2019;

(d) the Security Trust Deed between the Trustee, the Manager and the Security Trustee, dated 22 November 2019;

(e) the Liquidity Facility Agreement between the Trustee, the Manager and the Liquidity Facility Provider, dated 22 November 2019;

(f) the basis swap and fixed rate swap between the Trustee, the Manager, and the Interest Rate Swap Provider dated 22 November 2019, entered into pursuant to the ISDA Master Agreement, related schedule and each credit support annex between the Trustee, the Manager and the Interest Rate Swap Provider dated as of 22 November 2019;

(g) the Redraw Facility Agreement between the Trustee, the Manager and the Redraw Facility Provider dated 22 November 2019; and

(h) the Dealer Agreement between the Trustee, the Manager, the Arranger and each Dealer dated 25 November 2019.

# 17 Glossary

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| **Accrual Period** | This is described in Section 8.4 (*"Key Dates and Periods"*). |
| **Accrued Interest Adjustment** | means, in relation to Mortgage Loans acquired or to be acquired by the Trustee on the Closing Date, the amount of interest accrued on the Mortgage Loans for, and any fees in relation to the Mortgage Loans falling due for payment during, the period commencing on and including the date on which interest is debited to the relevant Mortgage Loan accounts by the Servicer for that Mortgage Loan immediately prior to the Cut-Off Date and ending on but excluding the Closing Date and any accrued interest and fees due but unpaid in relation to the Mortgage Loan prior to the date that interest is debited to the relevant Mortgage Loan accounts. |
| **Acquiring Trust** | This is described in Section 5.3 (*"Transfer of assets between Trusts"*). |
| **ADI** | means an "authorised deposit-taking institution" under the Banking Act 1959 (Cth). |
| **Adjustment Advance** | in relation to Assigned Assets and an Assignment Date, means an amount, as determined by the Manager and specified in the corresponding Transfer Proposal, not exceeding an amount equal to the accrued and unpaid interest in respect of the Assigned Assets (less any accrued and unpaid costs and expenses in respect of the Assigned Assets) during the period up to (but not including) that Assignment Date. |
| **Adverse Effect** | means any event which, determined by the Manager unless specifically provided otherwise, materially and adversely affects the amount or timing of any payment of any Senior Secured Money. |
| **Amortisation Conditions** | (a) no Liquidity Shortfall Advance has been made under the Liquidity Facility on the prior Distribution Date;<br>(b) the Stated Amount of each Note is equal to the Invested Amount of each Note on that Distribution Date; and<br>(c) there are no outstanding Principal Draws on that Distribution Date. |
| **AONIA** | This is described in Section 3.38 ("*Risks relating to Compounded AONIA*"). |

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| **AONIA Calculation Date** | means, in respect of an AONIA Observation Period, the Business Day immediately following the last day of that AONIA Observation Period. |
| **AONIA Observation Period** | in respect of an Accrual Period, means the period from (and including) the date falling 5 Business Days prior to the first day of the relevant Accrual Period and ending on (but excluding) the date falling 5 Business Days prior to the day on which that Accrual Period ends. |
| **AONIA Realised Rate** | means, in respect of a proposed Compounded AONIA calculation by the Manager on an AONIA Calculation Date, the Realised AONIA reference rate published by the ASX on that day relating to the period covered by the AONIA Observation Period ending immediately prior to that AONIA Calculation Date. |
| **AONIA Reference Rate** | means, in respect of a Business Day during an AONIA Observation Period, the interbank overnight cash rate as provided by the Reserve Bank of Australia or any successor administrator of that rate) ("**RBA Interbank Cash Rate**") for that day and as then published on page RBA30 of the Reuters Monitors System (the "**Relevant Screen Page**") (or if that screen page is unavailable, as otherwise published by any market data service provider authorised to publish that rate, as selected by the Manager in accordance with the Series Supplement (an "**Authorised Distributor**")) on the immediately following Business Day.<br><br>However if, in respect of any Business Day in the relevant AONIA Observation Period, the Manager determines that the RBA Interbank Cash Rate is not available on the Relevant Screen Page and has not otherwise been published by any Authorised Distributor, the AONIA Reference Rate for that Business Day will be the sum of: (i) the cash rate target announced by the RBA (or any successor administrator of that rate) (the "**Cash Rate Target**") which applies on that day; plus (ii) the mean of the spread of the AONIA Reference Rate to the Cash Rate Target over the previous 5 Business Days on which the RBA Interbank Cash Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Cash Rate Target which applies on that day. If, on any day during the relevant AONIA Observation Period, the RBA Interbank Cash Rate has not been available on the Relevant Screen Page and has not otherwise been published by any Authorised Distributor for a period of more than 20 consecutive days (including that day), the AONIA Reference Rate for each day in the relevant AONIA |

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| | Observation Period will be the Cash Rate Target which applies on that day. |
| **Assets** | means all assets and property, real and personal (including choses in action and other rights), tangible and intangible, present and future, held by the Trustee as trustee of the Series Trust, from time to time. |
| **Assigned Assets** | in relation to a Transfer Proposal and a Disposing Trust, means 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:<br>(a) the assets of the Disposing Trust insofar as they relate to the Mortgage Loans referred to in that Transfer Proposal; and<br>(b) unless otherwise specified in that Transfer Proposal, the benefit of all representations and warranties given to the Trustee by the seller of the Mortgage Loans referred to in that Transfer Proposal, the Servicer or any other person in relation to those assets. |
| **Assignment Date** | in relation to a Transfer Proposal, means the date specified as such in that Transfer Proposal on which the Mortgage Loans are transferred from the Disposing Trust to the Acquiring Trust. |
| **ASX** | ASX Limited ABN 98 008 624 691 |
| **Austraclear** | means Austraclear Services Limited (ABN 28 003 284 419). |
| **Austraclear Regulations** | means the regulations and related operating procedures established from time to time by Austraclear. |
| **Australian Credit Licence** | has the meaning given to that term in the NCCP. |
| **Australian Tax Act** | this is described in Section 12 ("*Taxation considerations*"). |
| **Authorised Short-Term Investments** | means deposits with, or the acquisition of certificates of deposit issued by, an ADI, denominated in Australian Dollars and provided such investments must:<br>(a) be held in the name of the Trustee;<br>(b) have a Required Credit Rating or be held with an Eligible Depository;<br>(c) mature on or before the next Distribution Date or be capable of being converted to immediately available funds in an amount at least equal to the aggregate outstanding principal amount of that |

investment plus any accrued interest on or before the next Distribution Date;

(d) not give rise to a requirement for withholding or deduction under FATCA; and

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

**Available Income Amount** This is described in Section 8.5 ("*Determination of the Available Income Amount*").

**Available Principal Amount** This is described in Section 8.11 ("*Determination of the Available Principal Amount*").

**Basis Swap** means the basis swap entered into under the Interest Rate Swap Agreement in the form of Annexure 1 to the Interest Rate Swap Agreement between the Trustee, the Manager and the Seller dated prior to the Closing Date or on the terms of any other Interest Rate Swap Agreement that replaces that Interest Rate Swap Agreement.

**Basis Swap Notional Amount** This is described in Section 10.11(b) ("*The Interest Rate Swaps"*).

**Basis Swap Provider** This is described in Section 2.1 ("*Parties to the Transaction"*).

**Benchmark Rate** in relation to a Class A1-R Note, means the rate specified as such for that Class A1-R Note in the Class A1-R Issue Notice.

**Business Day** means any day on which banks are open for business in Sydney which is also a day other than a Saturday, a Sunday or a public holiday in Sydney.

**Call Date** means the first Distribution Date on which the aggregate principal outstanding on the Mortgage Loans which are then part of the Assets of the Series Trust is less than or equal to 10% of the aggregate principal outstanding on the Mortgage Loans that were part of the Assets of the Series Trust as at the Closing Date.

**Capital Unit** means the unit in the Series Trust which is designated as a "Capital Unit" for the Series Trust.

**Capital Unitholder** means the Unitholder of the Capital Unit.

**Cash Deposit** means the amount credited to the Liquidity Facility Reserve Deposit Account by the Liquidity Facility Provider to meet a Cash Deposit Advance (after taking

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| | into account any application of, allocation to and repayment of the Cash Deposit in accordance with the Liquidity Facility Agreement). |
| **Cash Deposit Advance** | means an advance made by the Liquidity Facility Provider to the Trustee under the Liquidity Facility Agreement during a Cash Deposit Period. |
| **Cash Deposit Period** | means each period commencing immediately following the date that the Liquidity Facility Provider makes a Cash Deposit and ending on the earliest of the following dates which occur after the making of that Cash Deposit:<br>(a) any date on which the Liquidity Facility Provider obtains the Designated Credit Rating;<br>(b) the date on which the Liquidity Facility Provider takes the action described in Section 10.8(f)(i) or (iii) ("*Downgrade of Liquidity Facility Provider*");<br>(c) the date on which the Liquidity Facility terminates following a declaration by the Trustee, at the direction of the Manager, that the Liquidity Facility Provider will be replaced by a substitute Liquidity Facility Provider and the Liquidity Facility is to terminate; and<br>(d) the Liquidity Facility Termination Date. |
| **CBA Trust** | This is described in Section 6.4 ("*Transfer and Assignment of the Mortgage Loans*"). |
| **Charge** | This is described in Section 10.6(a) ("*General*"). |
| **Citi** | Citigroup Global Markets Australia Pty Ltd ABN 64 003 114 832. |
| **Circulating Asset** | means each Asset of the Series Trust which is not a Restricted Asset. |
| **Class** | means, depending upon the context, the Class A1 Notes, the Class A1-R Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Capital Unit or the Income Unit (or any of them). |
| **Class A1 Aggregate Interest Amount** | in relation to a Distribution Date means the sum of the Class A1 Interest Amount and the Class A1 Unpaid Interest Amount (if any) in relation to that Distribution Date. |
| **Class A1 Interest Amount** | in relation to a Distribution Date and an Accrual Period for the Class A1 Notes ending on that Distribution Date, means the aggregate interest accrued on each Class A1 |

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| | Note in respect of that Accrual Period pursuant to Section 8.10(a) ("*Interest on the Notes*"). |
| **Class A1 Note** | means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a "Class A1 Note". |
| **Class A1 Noteholder** | means, at any time, the person recorded at that time in the Register as the holder of a Class A1 Note. |
| **Class A1 Stepped Up Margin** | This is described in Section 8.10(a) ("*Interest on the Notes*"). |
| **Class A1 Unpaid Interest Amount** | in relation to a Distribution Date means the aggregate of:<br>(a) any Class A1 Interest Amounts remaining unpaid pursuant to Section 8.9 ("*Payment of the Available Income Amount on each Distribution Date*") from prior Distribution Dates; and<br>(b) interest accrued on the unpaid Class A1 Interest Amounts referred to in paragraph (a) pursuant to Section 8.10(a) ("*Interest on the Notes*"). |
| **Class A1-R Aggregate Interest Amount** | in relation to a Distribution Date means the sum of the Class A1-R Interest Amount and the Class A1-R Unpaid Interest Amount (if any) in relation to that Distribution Date. |
| **Class A1-R Interest Amount** | in relation to a Distribution Date and an Accrual Period for the Class A1-R Notes ending on that Distribution Date, means the aggregate interest accrued on each Class A1-R Note in respect of that Accrual Period pursuant to Section 8.10(a) ("*Interest on the Notes*"). |
| **Class A1-R Issue Date** | This is described in Section 8.21 ("*Refinancing of Class A1 Notes with Class A1-R Notes*"). |
| **Class A1-R Issue Notice** | This is described in Section 8.21 ("*Refinancing of Class A1 Notes with Class A1-R Notes*"). |
| **Class A1-R Margin** | This is described in Section 8.21 ("*Refinancing of Class A1 Notes with Class A1-R Notes*"). |
| **Class A1-R Note** | means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a "Class A1-R Note". |
| **Class A1-R Noteholder** | means, at any time, the person recorded at that time in the Register as the holder of a Class A1-R Note. |
| **Class A1-R Unpaid Interest Amount** | in relation to a Distribution Date means the aggregate of:<br>(a) any Class A1-R Interest Amounts remaining unpaid pursuant to Section 8.9 ("*Payment of the* |

*Available Income Amount on each Distribution Date*") from prior Distribution Dates; and

(b) interest accrued on the unpaid Class A1-R Interest Amounts referred to in paragraph (a) pursuant to Section 8.10(a) ("*Interest on the Notes*").

**Class A2 Aggregate Interest Amount** in relation to a Distribution Date means the sum of the Class A2 Interest Amount and the Class A2 Unpaid Interest Amount (if any) in relation to that Distribution Date.

**Class A2 Interest Amount** in relation to a Distribution Date and an Accrual Period for the Class A2 Notes ending on that Distribution Date, means the aggregate interest accrued on each Class A2 Note in respect of that Accrual Period pursuant to Section 8.10(a) ("*Interest on the Notes*").

**Class A2 Note** means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a "Class A2 Note".

**Class A2 Noteholder** means, at any time, the person recorded at that time in the Register as the holder of a Class A2 Note.

**Class A2 Unpaid Interest Amount** in relation to a Distribution Date means the aggregate of:

(a) any Class A2 Interest Amounts remaining unpaid pursuant to Section 8.9 ("*Payment of the Available Income Amount on each Distribution Date*") from prior Distribution Dates; and

(b) interest accrued on the unpaid Class A2 Interest Amounts referred to in paragraph (a) pursuant to Section 8.10(a) ("*Interest on the Notes*").

**Class B Interest Amount** in relation to a Distribution Date and an Accrual Period for the Class B Notes ending on that Distribution Date, means the aggregate interest accrued on each Class B Note in respect of that Accrual Period pursuant to Section 8.10(a) ("*Interest on the Notes*").

**Class B Note** means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a "Class B Note".

**Class B Noteholder** means, at any time, the person recorded at that time in the Register as the holder of a Class B Note.

**Class B Residual Interest Amount** in relation to a Distribution Date means the amount calculated as follows:

$$CBRIA = (CBIA + CBUIA) - CBSIA$$

where:

**CBRIA =** the Class B Residual Interest Amount in relation to that Distribution Date;

**CBIA =** the Class B Interest Amount in relation to that Distribution Date;

**CBUIA =** the Class B Unpaid Interest Amount (if any) in relation to that Distribution Date; and

**CBSIA =** the Class B Senior Interest Amount in relation to that Distribution Date.

**Class B Senior Interest Amount** in relation to a Distribution Date and the Accrual Period ending on that Distribution Date means:

(a) zero, if the Stated Amount of the Class B Notes is zero or has at any time been reduced to zero;

(b) if paragraph (a) does not apply and the Call Date has occurred prior to that Distribution Date, the aggregate of:

(i) the Class B Step-Down Interest Amount for that Distribution Date; and

(ii) any Class B Step-Down Interest Amounts remaining unpaid from a previous Distribution Date, together with interest accrued in respect of those unpaid Class B Step-Down Interest Amounts pursuant to Section 8.10(a) ("*Interest on the Notes*"); or

(c) if neither paragraph (a) nor paragraph (b) apply in relation to that Distribution Date, the sum of the Class B Interest Amount and the Class B Unpaid Interest Amount (if any) in relation to that Distribution Date.

**Class B Step-Down Interest Amount** in relation to a Distribution Date and the Accrual Period ending on that Distribution Date means the amount calculated as follows:

(a) the Step-Down Interest Rate multiplied by the aggregate Invested Amount of the Class B Notes on the first day of that Accrual Period (after

taking into account any reductions in the Invested Amount on that day); multiplied by

(b) the actual number of days in that Accrual Period divided by 365.

**Class B Unpaid Interest Amount** in relation to a Distribution Date means the aggregate of:

(a) any Class B Interest Amounts remaining unpaid pursuant to Section 8.9 ("*Payment of the Available Income Amount on each Distribution Date*") from prior Distribution Dates; and

(b) interest accrued on the unpaid Class B Interest Amounts referred to in paragraph (a) pursuant to Section 8.10(a) ("*Interest on the Notes*").

**Class C Interest Amount** in relation to a Distribution Date and an Accrual Period for the Class C Notes ending on that Distribution Date, means the aggregate interest accrued on each Class C Note in respect of that Accrual Period pursuant to Section 8.10(a) ("*Interest on the Notes*").

**Class C Note** means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a "Class C Note".

**Class C Noteholder** means at any time the person recorded at that time in the Register as the holder of a Class C Note.

**Class C Residual Interest Amount** in relation to a Distribution Date means the amount calculated as follows:

$$CCRIA = (CCIA + CCUIA) - CCSIA$$

where:

**CCRIA =** the Class C Residual Interest Amount in relation to that Distribution Date;

**CCIA =** the Class C Interest Amount in relation to that Distribution Date;

**CCUIA =** the Class C Unpaid Interest Amount (if any) in relation to that Distribution Date; and

**CCSIA=** the Class C Senior Interest Amount in relation to that Distribution Date.

**Class C Senior Interest Amount**

in relation to a Distribution Date and the Accrual Period ending on that Distribution Date means:

(a) zero, if the Stated Amount of the Class C Notes is zero or has at any time been reduced to zero;

(b) if paragraph (a) does not apply and the Call Date has occurred prior to that Distribution Date, the aggregate of:

(i) the Class C Step-Down Interest Amount for that Distribution Date; and

(ii) any Class C Step-Down Interest Amounts remaining unpaid from a previous Distribution Date, together with interest accrued in respect of those unpaid Class C Step-Down Interest Amounts pursuant to Section 8.10(a) ("*Interest on the Notes*"); or

(c) if neither paragraph (a) nor paragraph (b) apply in relation to that Distribution Date, the sum of the Class C Interest Amount and the Class C Unpaid Interest Amount (if any) in relation to that Distribution Date.

**Class C Step-Down Interest Amount**

in relation to a Distribution Date and the Accrual Period ending on that Distribution Date means the amount calculated as follows:

(a) the Step-Down Interest Rate multiplied by the aggregate Invested Amount of the Class C Notes on the first day of that Accrual Period (after taking into account any reductions in the Invested Amount on that day); multiplied by

(b) the actual number of days in that Accrual Period divided by 365.

**Class C Unpaid Interest Amount**

in relation to a Distribution Date means the aggregate of:

(a) any Class C Interest Amounts remaining unpaid pursuant to Section 8.9 ("*Payment of the Available Income Amount on each Distribution Date*") from prior Distribution Dates; and

(b) interest accrued on the unpaid Class C Interest Amounts referred to in paragraph (a) pursuant to Section 8.10(a) ("*Interest on the Notes*").

**Class D Interest Amount**

in relation to a Distribution Date and an Accrual Period for the Class D Notes ending on that Distribution Date, means the aggregate interest accrued on each Class D

Note during in respect of Accrual Period pursuant to Section 8.10(a) ("*Interest on the Notes*").

**Class D Note** means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a "Class D Note".

**Class D Noteholder** means at any time the person recorded at that time in the Register as the holder of a Class D Note.

**Class D Residual Interest Amount** in relation to a Distribution Date means the amount calculated as follows:

$$\text{CDRIA} = (\textit{CDIA} + \textit{CDUIA}) - \textit{CDSIA}$$

where:

**CDRIA =** the Class D Residual Interest Amount in relation to that Distribution Date;

**CDIA =** the Class D Interest Amount in relation to that Distribution Date;

**CDUIA =** the Class D Unpaid Interest Amount (if any) in relation to that Distribution Date; and

**CDSIA =** the Class D Senior Interest Amount in relation to that Distribution Date.

**Class D Senior Interest Amount** in relation to a Distribution Date and the Accrual Period ending on that Distribution Date means:

(a) zero, if the Stated Amount of the Class D Notes is zero or has at any time been reduced to zero;

(b) if paragraph (a) does not apply and the Call Date has occurred prior to that Distribution Date, the aggregate of:

(i) the Class D Step-Down Interest Amount for that Distribution Date; and

(ii) any Class D Step-Down Interest Amounts remaining unpaid from a previous Distribution Date, together with interest accrued in respect of those unpaid Class D Step-Down Interest Amounts pursuant to Section 8.10(a) ("*Interest on the Notes*"); or

(c) if neither paragraph (a) nor paragraph (b) apply in relation to that Distribution Date, the sum of

the Class D Interest Amount and the Class D Unpaid Interest Amount (if any) in relation to that Distribution Date.

**Class D Step-Down Interest Amount** in relation to a Distribution Date and the Accrual Period ending on that Distribution Date means the amount calculated as follows:

(a) the Step-Down Interest Rate multiplied by the aggregate Invested Amount of the Class D Notes on the first day of that Accrual Period (after taking into account any reductions in the Invested Amount on that day); multiplied by

(b) the actual number of days in that Accrual Period divided by 365.

**Class D Unpaid Interest Amount** in relation to a Distribution Date means the aggregate of:

(a) any Class D Interest Amounts remaining unpaid pursuant to Section 8.9 ("*Payment of the Available Income Amount on each Distribution Date*") from prior Distribution Dates; and

(b) interest accrued on the unpaid Class D Interest Amounts referred to in paragraph (a) pursuant to Section 8.10(a) ("*Interest on the Notes*").

**Class E Interest Amount** in relation to a Distribution Date and an Accrual Period for the Class E Notes ending on that Distribution Date, means the aggregate interest accrued on each Class E Note during in respect of Accrual Period pursuant to Section 8.10(a) ("*Interest on the Notes*").

**Class E Note** means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a "Class E Note".

**Class E Noteholder** means at any time the person recorded at that time in the Register as the holder of a Class E Note.

**Class E Residual Interest Amount** in relation to a Distribution Date means the amount calculated as follows:

$$CERIA = (CEIA + CEUIA) - CESIA$$

where:

**CERIA =** the Class E Residual Interest Amount in relation to that Distribution Date;

**CEIA =** the Class E Interest Amount in relation to that Distribution Date;

**CEUIA =** the Class E Unpaid Interest Amount (if any) in relation to that Distribution Date; and

**CESIA =** the Class E Senior Interest Amount in relation to that Distribution Date.

**Class E Senior Interest Amount** in relation to a Distribution Date and the Accrual Period ending on that Distribution Date means:

(a) zero, if the Stated Amount of the Class E Notes is zero or has at any time been reduced to zero;

(b) if paragraph (a) does not apply and the Call Date has occurred prior to that Distribution Date, the aggregate of:

(i) the Class E Step-Down Interest Amount for that Distribution Date; and

(ii) any Class E Step-Down Interest Amounts remaining unpaid from a previous Distribution Date, together with interest accrued in respect of those unpaid Class E Step-Down Interest Amounts pursuant to Section 8.10(a) ("*Interest on the Notes*"); or

(c) if neither paragraph (a) nor paragraph (b) apply in relation to that Distribution Date, the sum of the Class E Interest Amount and the Class E Unpaid Interest Amount (if any) in relation to that Distribution Date.

**Class E Step-Down Interest Amount** in relation to a Distribution Date and the Accrual Period ending on that Distribution Date means the amount calculated as follows:

(a) the Step-Down Interest Rate multiplied by the aggregate Invested Amount of the Class E Notes on the first day of that Accrual Period (after taking into account any reductions in the Invested Amount on that day); multiplied by

(b) the actual number of days in that Accrual Period divided by 365.

**Class E Unpaid Interest Amount** in relation to a Distribution Date means the aggregate of:

(a) any Class E Interest Amounts remaining unpaid pursuant to Section 8.9 ("*Payment of the Available Income Amount on each Distribution Date*") from prior Distribution Dates; and

(b) interest accrued on the unpaid Class E Interest Amounts referred to in paragraph (a) pursuant to Section 8.10(a) ("*Interest on the Notes*").

**Class F Interest Amount** in relation to a Distribution Date and an Accrual Period for the Class F Notes ending on that Distribution Date, means the aggregate interest accrued on each Class F Note during in respect of Accrual Period pursuant to Section 8.10(a) ("*Interest on the Notes*").

**Class F Note** means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a "Class F Note".

**Class F Noteholder** means at any time the person recorded at that time in the Register as the holder of a Class F Note.

**Class F Residual Interest Amount** in relation to a Distribution Date means the amount calculated as follows:

$$CFRIA = (CFIA + CFUIA) - CFSIA$$

where:

**CFRIA =** the Class F Residual Interest Amount in relation to that Distribution Date;

**CFIA =** the Class F Interest Amount in relation to that Distribution Date;

**CFUIA =** the Class F Unpaid Interest Amount (if any) in relation to that Distribution Date; and

**CFSIA =** the Class F Senior Interest Amount in relation to that Distribution Date.

**Class F Senior Interest Amount** in relation to a Distribution Date and the Accrual Period ending on that Distribution Date means:

(a) zero, if the Stated Amount of the Class F Notes is zero or has at any time been reduced to zero;

(b) if paragraph (a) does not apply and the Call Date has occurred prior to that Distribution Date, the aggregate of:

(i) the Class F Step-Down Interest Amount for that Distribution Date; and

(ii) any Class F Step-Down Interest Amounts remaining unpaid from a previous Distribution Date, together with interest accrued in respect of those unpaid Class F Step-Down Interest Amounts pursuant to Section 8.10(a) ("*Interest on the Notes*").

(c) if neither paragraph (a) nor paragraph (b) apply in relation to that Distribution Date, the sum of the Class F Interest Amount and the Class F Unpaid Interest Amount (if any) in relation to that Distribution Date.

**Class F Step-Down Interest Amount** in relation to a Distribution Date and the Accrual Period ending on that Distribution Date means the amount calculated as follows:

(a) the Step-Down Interest Rate multiplied by the aggregate Invested Amount of the Class F Notes on the first day of that Accrual Period (after taking into account any reductions in the Invested Amount on that day); multiplied by

(b) the actual number of days in that Accrual Period divided by 365.

**Class F Unpaid Interest Amount** in relation to a Distribution Date means the aggregate of:

(a) any Class F Interest Amounts remaining unpaid pursuant to Section 8.9 ("*Payment of the Available Income Amount on each Distribution Date*") from prior Distribution Dates; and

(b) interest accrued on the unpaid Class F Interest Amounts referred to in paragraph (a) pursuant to Section 8.10(a) ("*Interest on the Notes*").

**Clean-Up Settlement Date** This is described in Section 10.12 ("*Clean-Up*").

**Clean-Up Settlement Price** This is described in Section 10.12 ("*Clean-Up*").

**Closing Date** means 5 December 2019.

**Collateral** This is described in Section 10.6(b) ("*Nature of the Charge*").

**Collateral Security** This is described in Section 6.1(d) ("*Assets of the Series Trust*").

**Collections Account** means each bank account opened in accordance with the Transaction Documents in respect of the Series Trust.

**Collection Period** This is described in Section 8.4 ("*Key Dates and Periods*").

**Co-Managers**

This is described in Section 2.1 ("*Parties to the Transaction*").

**Commonwealth Bank of Australia**

means the Commonwealth Bank of Australia ABN 48 123 123 124.

**Compounded AONIA**

means, with respect to an Accrual Period, the rate of return of a daily compounded investment for the AONIA Observation Period in respect of that Accrual Period as calculated by the Manager on the relevant AONIA Calculation Date, as follows, with compound interest accrual on Business Days and simple interest on non-Business Days (and with the resulting percentage rounded if necessary to the fourth decimal place):

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{AONIA_{i-5BD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

$AONIA_{i-5BD}$, means, in respect of Business Day "*i*", the AONIA Reference Rate for the Business Day falling 5 Business Days prior to that Business Day "*i*" (such Business Day also falling in the relevant AONIA Observation Period).

$d_0$ is the number of Business Days in the relevant Accrual Period.

$d$ is the number of calendar days in the relevant Accrual Period.

$i$ is a series of whole numbers from 1 to $d_0$, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant Accrual Period.

$n_i$, for any day "*i*", means the number of calendar days from (and including) such Business Day "*i*" up to (but excluding) the following Business Day.

However, in the event that Compounded AONIA cannot be determined in accordance with the preceding paragraphs by the Manager in respect of an AONIA Observation Period, Compounded AONIA in respect of that AONIA Observation Period will be Compounded AONIA as determined on the immediately preceding AONIA Calculation Date (or if there is no preceding AONIA Calculation Date, Compounded AONIA that would have applied in accordance with the preceding paragraphs for a period equal in duration to the first Accrual Period but ending on (and including) the Issue Date of the Notes).

**Concentrations Event**

This is described in Section 11.1(h) ("*Servicing of the Mortgage Loans"*).

**Consideration** means, in relation to Mortgage Loans acquired or to be acquired by the Trustee from the Seller on the Closing Date, the aggregate principal outstanding in respect of those Mortgage Loans as at the Cut-Off Date.

**Consumer Credit Legislation** means, as applicable:

(a) the NCCP;

(b) the National Consumer Credit Protection (Fees) Act 2009 (Cth);

(c) the National Consumer Credit Amendment Act 2010 (Cth);

(d) the National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 (Cth);

(e) any acts or other legislation enacted in connection with any of the acts set out in paragraphs (a) to (d) above and any regulations made under any of the acts set out in paragraphs (a) to (d) above; and

(f) Division 2 of Part 2 of the Australian Securities and Investments Commission Act 2001 (Cth), so far as it relates to the obligations of the Servicer, the Seller or the Trustee as the holder of an Australian Credit Licence or "credit activities" (as defined in the NCCP) engaged in by the Manager, the Servicer, the Seller or the Trustee.

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

**Credit Support Notes** This is described in Section 2.4(d) (*"Allocation of losses"*).

**Cut-Off Date** means 18 November 2019.

**Dealer** means the Arranger, the Lead Manager and each Co-Manager or any of them, as the context requires.

**Dealer Agreement** This is described in Section 16 (*"Transaction Documents"*).

**Delinquent Percentage** in relation to a Collection Period, means the amount (expressed as a percentage) calculated as follows:

$$DP = \frac{DMLP}{AMLP}$$

where:

DP = the Delinquent Percentage;

DMLP = the aggregate, on the last day of the Collection Period, of the principal outstanding with respect to those Mortgage Loans in relation to which a payment due from the borrower has been in arrears (on that day) by more than 60 days; and

AMLP = the aggregate principal outstanding in relation to the Mortgage Loans on the last day of the Collection Period.

**Designated Credit Rating** This is described in Section 10.8(f) (*"Downgrade of Liquidity Facility Provider"*).

**Determination Date** This is described in Section 8.4 (*"Key Dates and Periods"*).

**Deutsche Bank** Deutsche Bank AG, Sydney Branch ABN 13 064 165 162.

**Disposing Trust** This is described in Section 5.3 (*"Transfer of assets between Trusts"*).

**Distribution Date** means each date referred to as such in the table in Section 2.2 (*"Summary of the Notes"*).

**Eligible Depository** means a financial institution which has assigned to it the following ratings from each of S&P and Fitch Ratings:

(a) in respect of S&P:

(i) a long term credit rating equal to or higher than BBB; or

(ii) a short-term credit rating equal to or greater than A-2; and

(b) in respect of Fitch Ratings, a short term credit rating of F1 or a long term credit rating of A,

or such other credit rating or ratings as may be notified in writing by the Manager to the Trustee and in respect of which the Manager has issued a Rating Affirmation Notice in respect of each Rating Agency.

**EU Due Diligence and Retention Rules** This is described in Section 1.15 (*"European Union Securitisation Due Diligence and Retention Rules"*).

**Event of Default** This is described in Section 10.6(e) (*"The Security Trust Deed"*).

**Extraordinary Expense Reserve** This is described in Section 8.8 (*"Extraordinary Expense Reserve"*).

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| **Extraordinary Expense Reserve Draw** | This is described in Section 8.8(b) ("*Extraordinary Expense Reserve*"). |
| **Extraordinary Expense Reserve Required Amount** | means A$150,000. |
| **Extraordinary Expenses** | means, in relation to an Accrual Period, any out of pocket Expenses properly and reasonably incurred by the Trustee in relation to the Series Trust in respect of that Accrual Period but which are not incurred in the ordinary course of business of the Series Trust. |
| **Extraordinary Resolution** | in relation to Voting Secured Creditors or a class of Voting Secured Creditors (including any Class of Noteholders), means a resolution passed at a duly convened meeting of the Voting Secured Creditors or a class of Voting Secured Creditors under the Security Trust Deed by a majority consisting of not less than 75% of the votes of such Voting Secured Creditors or their representatives present and voting or, if a poll is demanded, by such Voting Secured Creditors holding or representing between them Voting Entitlements comprising in aggregate not less than 75% of the aggregate number of votes comprised in the Voting Entitlements held or represented by all the persons present and voting at the meeting or a written resolution signed by all the Voting Secured Creditors or the class of Voting Secured Creditors (as the case may be). |
| **FATCA** | means:<br>(a) sections 1471 to 1474 of the United States of America Internal Revenue Code of 1986 (including any regulations or official interpretations issued in respect thereof and any amended or successor provisions);<br>(b) any treaty, law, regulation, or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or<br>(c) any agreement under the implementation of paragraphs (a) or (b) above, with the United States of America Internal Revenue Service, the United States of America government or any government or governmental or taxation authority in any other jurisdiction. |
| **FATCA Withholding** | This is described in Section 3.35 ("*Foreign Account Tax Compliance*"). |

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| **Fair Market Value** | in relation to a Mortgage Loan means the fair market value for that Mortgage Loan as agreed between the Trustee (acting on expert advice taken pursuant to the Master Trust Deed, if necessary) and the Seller (or, in the absence of agreement, determined by the Seller's external auditors) and which value reflects the performance status and underlying nature of that Mortgage Loan. If the price offered to the Trustee in respect of a Mortgage Loan is equal to, or more than, the principal outstanding plus accrued interest in respect of that Mortgage Loan, the Trustee is entitled to assume that this price represents the Fair Market Value in respect of that Mortgage Loan. |
| **Final Maturity Date** | This is described in Section 2.2 (*"Summary of the Notes"*). |
| **Finance Charge Collections** | This is described in Section 8.5(a) (*"Determination of the Available Income Amount"*). |
| **First Possible Class A1 Refinancing Date** | This is described in Section 2.2 ("*Summary of the Notes*"). |
| **Fitch Ratings** | means Fitch Australia Pty Ltd ABN 93 081 339 184. |
| **Fixed Rate Swap** | means the fixed rate swap entered into under the Interest Rate Swap Agreement in the form of the Annexure 2 to the Interest Rate Swap Agreement or on the terms of any other Interest Rate Swap Agreement that replaces that Interest Rate Swap Agreement provided the Manager has issued a Rating Affirmation Notice in relation to each Rating Agency in respect of the entering into of that fixed rate swap. |
| **Fixed Rate Swap Notional Amount** | This is described in Section 10.11(c) (*"Fixed Rate Swap"*). |
| **Fixed Rate Swap Provider** | This is described in Section 2.1 (*"Parties to the Transaction"*). |
| **Genworth** | Genworth Financial Mortgage Insurance Pty Limited ABN 60 106 974 305. |
| **Gross Income Shortfall** | This is described in Section 8.6 ("*Principal Draw*"). |
| **GST** | has the meaning provided in the GST Act. |
| **GST Act** | means A New Tax System (Goods and Services Tax) Act 1999. |
| **High LTV Master Policy** | This is described in Section 10.10(a) (*"Mortgage Insurance"*). |
| **Incidental Mortgage Loan Term Extension** | This is described in Section 11.1(l) ("*Incidental Mortgage Loan Term Extensions and Product Changes*"). |

**Income Unit** means the unit in the Series Trust which is designated as an "Income Unit" for the Series Trust.

**Income Unitholder** means the Unitholder of an Income Unit.

**Initial Invested Amount** means:

(a) in respect of each Class A1 Note, A$100,000;

(b) in respect of each Class A1-R Note, the amount specified in the Class A1-R Issue Notice; and

(c) in respect of each Class A2 Note, Class B Note, Class C Note, Class D Note, Class E Note and Class F Note, A$10,000.

**Insolvency Event** means, in relation to:

(a) the Trustee in its capacity as trustee of the Series Trust, the occurrence of any of the following events in relation to the Trustee in that capacity (and not in any other capacity):

(i) an application is made and not dismissed or stayed on appeal within 30 days or an order is made that the Trustee be wound up or dissolved;

(ii) an application for an order is made and not dismissed or stayed on appeal within 30 days appointing a liquidator, a provisional liquidator, a receiver or a receiver and manager in respect of the Trustee or one of them is appointed;

(iii) 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;

(iv) 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;

(v) the Trustee is or states that it is unable to pay its debts when they fall due;

(vi) 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;

(vii) 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;

(viii) 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; or

(ix) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction; and

(b) any other body corporate and the Trustee in its personal capacity, each of the following events:

(i) an order is made that the body corporate be wound up;

(ii) a liquidator, provisional liquidator, controller or administrator is appointed in respect of the body corporate or a substantial portion of its assets whether or not under an order;

(iii) except to reconstruct or amalgamate on terms reasonably approved by the Trustee (or in the case of a reconstruction or amalgamation of the Trustee in its personal capacity or the Security Trustee, on terms reasonably approved by the Manager), the body corporate enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition

with, or assignment for the benefit of, all or any class of its creditors;

(iv) the body corporate resolves to wind itself up, or otherwise dissolve itself, or gives notice of its intention to do so, except to reconstruct or amalgamate on terms reasonably approved by the Trustee (or in the case of a reconstruction or amalgamation of the Trustee in its personal capacity or the Security Trustee, except on terms reasonably approved by the Manager) or is otherwise wound up or dissolved;

(v) the body corporate is or states that it is insolvent;

(vi) as a result of the operation of section 459F(1) of the Corporations Act, the body corporate is taken to have failed to comply with a statutory demand;

(ix) the body corporate takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation;

(x) 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

(xi) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction.

**Insurance Policy** means any insurance policy (whether present or future) under which the improvements on the land the subject of a mortgage or a collateral security are insured against destruction or damage by events which include fire.

**Interest Rate Swap Agreement** means the Interest Rate Swap Agreement referred to in Section 10.11 ("*The Interest Rate Swaps*") and any substitute agreement in place of that agreement or additional agreement in the form of an ISDA Master Agreement.

**Interest Rate Swap Provider** means initially Commonwealth Bank of Australia and includes any other person that subsequently enters into an

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| | Interest Rate Swap Agreement with the Trustee and the Manager. |
| **Interest Rate Swap Provider Deposit** | means any amount deposited by the Interest Rate Swap Provider into a collateral account under an Interest Rate Swap Agreement by way of prepayment or collateral in respect of the Interest Rate Swap Provider's payment obligations under the Interest Rate Swap Agreement. |
| **Invested Amount** | in relation to a Note, means the principal amount of that Note upon issue less the aggregate of all principal payments made on that Note. |
| **Issue Date** | in relation to a Note, means the day on which the Note is issued by the Trustee. |
| **Lead Manager** | this is described in Section 2.1 ("*Parties to the Transaction*"). |
| **Liquidity Event of Default** | This is described in Section 10.8(g) ("*Events of Default under the Liquidity Facility Agreement"*). |
| **Liquidity Facility** | means the facility provided to the Series Trust under the Liquidity Facility Agreement. |
| **Liquidity Facility Advance** | This is described in Section 8.5 ("*Determination of the Available Income Amount"*). |
| **Liquidity Facility Agreement** | This is described in Section 16 ("*Transaction Documents"*). |
| **Liquidity Facility Commitment Fee** | in relation to a Determination Date and the immediately following Distribution Date, means the commitment fee payable to the Liquidity Facility Provider on that Distribution Date pursuant to the Liquidity Facility Agreement. |
| **Liquidity Facility Compounded AONIA** | This is described in Section 10.8(d) ("*Interest and fees under the Liquidity Facility Agreement"*). |
| **Liquidity Facility Interest** | in relation to a Distribution Date, means the interest due on that Distribution Date pursuant to the terms of the Liquidity Facility Agreement. |
| **Liquidity Facility Limit** | This is described in Section 10.8(a) ("*Advances and Facility Limit"*). |
| **Liquidity Facility Provider** | This is described in Section 2.1 ("*Parties to the Transaction"*). |
| **Liquidity Facility Reserve Deposit Account** | This is described in Section 10.8(f) ("*Downgrade of Liquidity Facility Provider"*). |

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| **Liquidity Facility Termination Date** | means the date on which the Liquidity Facility will terminate, as described in Section 10.8(i) (*"Termination"*). |
| **Macquarie** | Macquarie Bank Limited ABN 46 008 583 542. |
| **Manager** | This is described in Section 2.1 (*"Parties to the Transaction"*) and Section 10.4 ("*The Manager*"). |
| **Manager Default** | means:<br><br>(a) an Insolvency Event occurs in relation to the Manager;<br><br>(b) the Manager does not instruct the Trustee to pay the required amounts to the Noteholders within the time periods specified in the Series Supplement and that failure is not remedied within 10 Business Days, or such longer period as the Trustee may agree, of notice of such failure being delivered to the Manager by the Trustee;<br><br>(c) the Manager does not prepare and transmit to the Trustee the monthly or quarterly certificates or any other reports required to be prepared by the Manager and such failure is not remedied within 10 Business Days, or such longer period as the Trustee may agree, of notice being delivered to the Manager by the Trustee. However, such a failure by the Manager does not constitute a Manager Default if it is as a result of a Servicer Default referred to in the second paragraph of the definition of that term provided that, if the Servicer subsequently provides the information to the Manager, the Manager prepares and submits to the Trustee the outstanding monthly or quarterly certificates or other reports within 10 Business Days, or such longer period as the Trustee may agree to, of receipt of the required information from the Servicer;<br><br>(d) any representation, warranty, certification or statement made by the Manager in a Transaction Document or in any document provided by the Manager under or in connection with a Transaction Document proves to be incorrect when made or is incorrect when repeated, in a manner which as reasonably determined by the Trustee has an Adverse Effect and is not remedied to the Trustee's reasonable satisfaction within 60 Business Days of notice to the Manager by the Trustee; and<br><br>(e) the Manager has breached its other obligations under a Transaction Document or any other deed, |

agreement or arrangement entered into by the Manager relating to the Series Trust or the Notes, other than an obligation which depends upon information provided by, or action taken by, the Servicer and the Manager has not received the information, or the action has not been taken by the Servicer, and that breach has had or, if continued, will have an Adverse Effect as reasonably determined by the Trustee, and either:

(i) such breach is not remedied so that it no longer has or will have to such an Adverse Effect, within 20 Business Days of notice delivered to the Manager by the Trustee; or

(ii) the Manager has not, within 20 Business Days of receipt of such notice, paid compensation to the Trustee for its loss from such breach in an amount satisfactory to the Trustee acting reasonably.

The Trustee must, in such notice, specify the reasons why it believes an Adverse Effect has occurred, or will occur, as the case may be.

**Master Trust Deed** — This is described in Section 16 (*"Transaction Documents"*).

**Mortgage Insurance Income Proceeds** — This is described in Section 8.5 (*"Determination of the Available Income Amount"*).

**Mortgage Insurance Policy** — in relation to a Mortgage Loan, means any primary mortgage insurance policy issued by the Mortgage Insurer in relation to that Mortgage Loan pursuant to a High LTV Master Policy.

**Mortgage Insurance Principal Proceeds** — in relation to a Determination Date, means all amounts received by the Trustee pursuant to any Mortgage Insurance Policy in relation to any Mortgage Loan then forming part of the Assets of the Series Trust which has the benefit of the Mortgage Insurance Policy and which the Manager determines should be accounted for on that Determination Date in respect of a Principal Loss.

**Mortgage Insurer** — This is described in Section 2.1 (*"Parties to the Transaction"*).

**Mortgage Loan** — means each mortgage loan assigned or to be assigned (as the context requires) to the Trustee.

**Mortgage Loan Rights** — This is described in Section 9.1(b) (*"Sale of Mortgage Loans Upon Termination"*)

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| **NCCP** | means the National Consumer Credit Protection Act 2009 (Cth). |
| **Net Income Shortfall** | This is described in Section 8.7(b) (*"Liquidity Facility Advance"*). |
| **New Japanese Risk Retention Rules** | This is described in Section 3.32 (*"Japanese Risk Retention Rules"*). |
| **Note** | means, as the context requires, a Class A1 Note, a Class A1-R Note, a Class A2 Note, a Class B Note, a Class C Note, a Class D Note, a Class E Note, a Class F Note or all or any of the foregoing. |
| **Noteholder** | means, as the context requires, a Class A1 Noteholder, a Class A1-R Noteholder, a Class A2 Noteholder, a Class B Noteholder, a Class C Noteholder, a Class D Noteholder, a Class E Noteholder, a Class F Noteholder or all or any of the foregoing. |
| **Notice of Creation of Series Trust** | This is described in Section 16 (*"Transaction Documents"*). |
| **Offshore Associate** | in relation to the Trustee or Commonwealth Bank of Australia, means an associate (as defined in section 128F(9) of the Australian Tax Act) of the relevant entity (other than an associate acquiring the Notes or an interest in the Notes in the capacity of dealer, manager or underwriter in relation to the placement of the Notes, or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme), that is either:<br>(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<br>(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 Income Amounts** | This is described in Section 8.5 (*"Determination of the Available Income Amount"*). |
| **Other Principal Amounts** | This is described in Section 8.11 (*"Determination of the Available Principal Amount"*). |
| **Perfection of Title Event** | means:<br>(a) the Seller makes any representation or warranty under a Transaction Document that proves to be |

incorrect when made, other than a representation or warranty in respect of which damages have been paid or for which payment is not yet due, for breach, or breaches any covenant or undertaking given by it in a Transaction Document, and that has or, if continued will have, an Adverse Effect and:

(i) the same is not satisfactorily remedied so that it no longer has or will have, an Adverse Effect, within 20 Business Days of notice being delivered to the Seller by the Manager or the Trustee; or

(ii) if the preceding paragraph is not satisfied, the Seller has not within 20 Business Days of such notice paid compensation to the Trustee for its loss from that breach in an amount satisfactory to the Trustee acting reasonably. Such compensation cannot exceed the aggregate of the principal amount outstanding in respect of the corresponding Mortgage Loan and any accrued or unpaid interest in respect of the Mortgage Loan, calculated in both cases at the time of payment of the compensation.

The Trustee must, in such notice, specify the reasons why it believes an Adverse Effect has occurred, or will occur;

(b) if the Seller is also the Servicer, a Servicer Default occurs;

(c) an Insolvency Event occurs in relation to the Seller;

(d) if the Seller is also the swap provider under the Fixed Rate Swap, or a basis cap, the Seller fails to make any payment due under any such swap or cap and that failure:

(i) has or will have an Adverse Effect as reasonably determined by the Trustee; and

(ii) is not remedied by the Seller within 20 Business Days, or such longer period as the Trustee agrees, of notice to the Seller by the Manager or the Trustee; or

(e) a downgrading in the long term credit rating of the Seller below BBB by S&P or a long term

credit rating of BBB+ by Fitch Ratings together with a short term credit rating of F2 by Fitch Ratings or such other rating in respect of the Seller as is agreed between the Manager and the Seller and in respect of which the Manager has issued a Rating Affirmation Notice in respect of the relevant Rating Agency.

**Performing Mortgage Loans Amount** means the aggregate of the following:

(a) the amount outstanding under Mortgage Loans under which no payment due from the borrower has been in arrears by more than 90 days; and

(b) the amount outstanding under Mortgage Loans under which a payment due from the borrower has been in arrears by more than 90 days and which are insured under the Mortgage Insurance Policy.

**Potential Termination Event** means:

(a) as a result of the introduction, imposition or variation of any law it is or becomes unlawful for the Trustee, and would also be unlawful for any new Trustee, to carry out any of its obligations under the Series Supplement, the Master Trust Deed (in so far as it relates to the Series Trust), or the Security Trust Deed; or

(b) all or any part of the Series Supplement, the Master Trust Deed (in so far as it relates to the Series Trust) or the Security Trust Deed is or has become void, illegal, unenforceable or of limited force and effect.

**Preliminary Income Amount** This is described in Section 8.6(e) ("*Principal Draw*").

**Preliminary Principal Amount** in relation to a Determination Date, means an amount calculated as follows:

PPA = PC + PCOR + OPA – CPD

where:

PPA = the Preliminary Principal Amount as at that Determination Date;

PC = the Principal Collections for the Collection Period ending on that Determination Date;

PCOR = the Principal Chargeoff Reimbursement as at that Determination Date;

OPA = the Other Principal Amounts as at that Determination Date; and

CPD = the amount of any Collections applied during the Collection Period ending on that Determination Date towards reimbursement of Seller Advances in accordance with Section 8.16 ("*Redraws and Further Advances*").

**Preparation Date** This is described in Section 1.5 ("*Date of this Information Memorandum"*).

**Prescribed Period** This is described in Section 6.6 ("*Breach of Representations and Warranties"*).

**Principal Chargeoff** in relation to a Determination Date, means an amount calculated as follows:

PCO = PL - MIPP - PD

where:

PCO = the Principal Chargeoff as at that Determination Date;

PL = the total of the Principal Loss on each Mortgage Loan for which the Manager determines a Principal Loss should be accounted for over the Accrual Period ending immediately prior to the following Distribution Date (provided that the Manager must not account for a Principal Loss on a Mortgage Loan until the Servicer reasonably believes that no further amounts in respect of the Mortgage Loan constituting Mortgage Insurance Principal Proceeds or damages which are to be treated as Other Principal Amounts will be received);

MIPP = the total Mortgage Insurance Principal Proceeds with respect to such Mortgage Loans that benefit from the Mortgage Insurance Policy determined over the Accrual Period ending immediately prior to the following Distribution Date; and

PD = any damages received by the Trustee from the Commonwealth Bank of Australia as described in Section 3.10 ("*Breach of Representation and Warranty"*) or from the Commonwealth Bank of Australia or the Servicer in respect of the servicing of the Mortgage Loans which are determined to be Other Principal Amounts.

**Principal Chargeoff Reimbursement** This is described in Section 8.11 ("*Determination of the Available Principal Amount"*).

**Principal Collections** This is described in Section 8.11 ("*Determination of the Available Principal Amount*").

**Principal Draw** This is described in Section 8.6 ("*Principal Draw*").

**Principal Draw Reimbursement** This is described in Section 8.11 ("*Determination of the Available Principal Amount*").

**Prior Interest** means the Trustee's lien over, and right of indemnification from, the Assets of the Series Trust calculated in accordance with the Master Trust Deed for fees and expenses payable to the Trustee, other than the Secured Moneys and the arranging fees payable to the Manager, which are unpaid, or paid by the Trustee but not reimbursed to the Trustee from the Assets of the Series Trust.

**Principal Loss** in respect of a Mortgage Loan, means an amount determined in accordance with the following formula as at the date on which that Mortgage Loan is liquidated:

$$PL = MLP + RE - BC - LP$$

where:

PL = the Principal Loss on that date;

MLP = the principal outstanding of that Mortgage Loan on that date;

RE = the restoration expenses reasonably and necessarily incurred up to and including that date;

BC = the break costs as at that date provided that break costs will only be included in the calculation of Principal Loss if the Trustee is then a party to a Fixed Rate Swap; and

LP = any liquidation proceeds received up to and including that date provided that for the purposes of this paragraph, liquidation proceeds will not include any liquidation proceeds which have been, or are to be, applied against any loss attributable to income on that Mortgage Loan on that date.

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

**Product Change** This is described in Section 11.1(l) ("*Incidental Mortgage Loan Term Extensions and Product Changes*").

**Rating Affirmation Notice** in relation to an event or circumstances and a Rating Agency, means a notice in writing from the Manager to the Trustee confirming that it has notified that Rating Agency of the event or circumstances and that the

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| | Manager is reasonably satisfied following discussions with that Rating Agency that the event or circumstances, as applicable, will not result in a reduction, qualification or withdrawal of any of the ratings then assigned by that Rating Agency to the Notes. |
| **RBA** | means the Reserve Bank of Australia. |
| **Rating Agencies** | means, as the context requires, Fitch Ratings, S&P or all or any of the foregoing. |
| **Redraw Facility** | means the facility made available by the Redraw Facility Provider to the Trustee pursuant to the Redraw Facility Agreement. |
| **Redraw Facility Advance** | means a principal advance by the Redraw Facility Provider under the Redraw Facility. |
| **Redraw Facility AONIA Calculation Date** | means, in respect of a Redraw Facility AONIA Observation Period, the Business Day immediately following the last day of that Redraw Facility AONIA Observation Period. |
| **Redraw Facility AONIA Observation Period** | in respect of a Redraw Facility Interest Period, means the period from (and including) the date falling 5 Business Days prior to the first day of the relevant Redraw Facility Interest Period and ending on (but excluding) the date falling 5 Business Days prior to the day on which that Redraw Facility Interest Period ends. |
| **Redraw Facility AONIA Reference Rate** | means, in respect of a Business Day during a Redraw Facility AONIA Observation Period, the interbank overnight cash rate as provided by the Reserve Bank of Australia (or any successor administrator of that rate) ("**RBA Interbank Cash Rate**") for that day and as then published on page RBA30 of the Reuters Monitors System (the "**Relevant Screen Page**") (or if that screen page is unavailable, as otherwise published by any market data service provider authorised to publish that rate, as selected by the Manager (an "**Authorised Distributor**")) on the immediately following Business Day.<br><br>However if, in respect of any Business Day in the relevant Redraw Facility AONIA Observation Period, the Manager determines that the RBA Interbank Cash Rate is not available on the Relevant Screen Page and has not otherwise been published by any Authorised Distributor, the Redraw Facility AONIA Reference Rate for that Business Day will be the sum of: (i) the cash rate target announced by the RBA (or any successor administrator of that rate) (the "**Cash Rate Target**") which applies on that day; plus (ii) the mean of the spread of the AONIA Reference Rate to the Cash Rate Target over the previous 5 Business Days on which the RBA Interbank Cash Rate has been published, excluding the highest spread (or, if |

there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Cash Rate Target which applies on that day. If, on any day during the relevant AONIA Observation Period, the RBA Interbank Cash Rate has not been available on the Relevant Screen Page and has not otherwise been published by any Authorised Distributor for a period of more than 20 consecutive days (including that day), the Redraw Facility AONIA Reference Rate for each day in the relevant Redraw Facility AONIA Observation Period will be the Cash Rate Target which applies on that day.

**Redraw Facility Commitment Fee** means in relation to a Determination Date and the immediately following Distribution Date, the commitment fee payable to the Redraw Facility Provider on that Distribution Date pursuant to the Redraw Facility Agreement.

**Redraw Facility Compounded AONIA** means:

(a) with respect to the first Redraw Facility Interest Period, the rate of return of a daily compounded investment for the Redraw Facility AONIA Observation Period in respect of that Redraw Facility Interest Period as calculated by the Manager on the relevant Redraw Facility AONIA Calculation Date, as follows, with compound interest accrual on Business Days and simple interest on non-Business Days (and with the resulting percentage rounded if necessary to the fourth decimal place):

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{AONIA_{i-5BD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

$AONIA_{i-5BD}$, means, in respect of Business Day "*i*", the Redraw Facility AONIA Reference Rate for the Business Day falling 5 Business Days prior to that Business Day "*i*" (such Business Day also falling in the relevant Redraw Facility AONIA Observation Period).

$d_0$ is the number of Business Days in the relevant Redraw Facility Interest Period.

$d$ is the number of calendar days in the relevant Redraw Facility Interest Period.

$i$ is a series of whole numbers from 1 to $d_0$, each representing the relevant Business Day in chronological order from, and including, the

first Business Day in the relevant Redraw Facility Interest Period.

$n_i$, for any day "*i*", means the number of calendar days from (and including) such Business Day "*i*" up to (but excluding) the following Business Day; and

(b) with respect to each subsequent Redraw Facility Interest Period, Compounded AONIA in respect of the Accrual Period ending on the last day of that Redraw Facility Interest Period, as determined by the Manager and notified to the Redraw Facility Provider, provided that if:

(i) the last day of that Redraw Facility Interest Period does not coincide with the last day of any Accrual Period; or

(ii) the Manager does not notify the Redraw Facility Provider of Compounded AONIA by 10.00am on the last day of that Redraw Facility Interest Period; or

(iii) the Redraw Facility Provider (acting reasonably) considers that there has been a manifest error in the calculation of Compounded AONIA, as notified to it by the Manager,

then "**Compounded AONIA**" for that Interest Period will be the rate determined by the Redraw Facility Provider at or about 10.00am on the last day of that Redraw Facility Interest Period using the methodology described in paragraph (a) above (such rate to be notified by the Redraw Facility Provider to the Trustee and the Manager immediately after its determination by the Redraw Facility Provider).

**Redraw Facility Interest** in relation to a Distribution Date means the interest due on that Distribution Date pursuant to the terms of the Redraw Facility Agreement.

**Redraw Facility Interest Period** has the meaning given to it in Section 10.9 ("*Redraw Facility*").

**Redraw Facility Provider** means initially Commonwealth Bank of Australia and includes any other person who may from time to time provide a Redraw Facility.

**Redraw Facility Principal Outstanding** at any given time means the then aggregate of all Redraw Facility Advances actually made less the aggregate amount of any repayments of principal in respect of the Redraw Facility previously made to the Redraw Facility

Provider pursuant to Section 8.12(b) ("*Payment of the Available Principal Amount on a Distribution Date*").

**Redraw Shortfall** has the meaning given to it in Section 10.9 ("*Redraw Facility*").

**Register** means the register of Notes maintained by the Trustee in accordance with the Transaction Documents.

**Required Credit Rating** means, in respect of Authorised Short-Term Investments:

(a) in relation to S&P:

1. for investments which have remaining maturities at the time of purchase of less than or equal to 60 days, a short term credit rating of A-1; and

2. for investments which have remaining maturities at the time of purchase of more than 60 days, but less than or equal to 365 days, a short term credit rating of A-1+; and

(b) in relation to Fitch Ratings:

(i) for debt securities whose remaining maturities at the time of purchase are less than or equal to 30 days, a short term credit rating by Fitch Ratings of F1 or a long term credit rating by Fitch Ratings of A; and

(ii) for debt securities whose remaining maturities at the time of purchase are more than 30 days but less than or equal to 365 days, a short term credit rating by Fitch Ratings of F1+ or a long term credit rating by Fitch Ratings of AA-,

or such other rating as is notified by the Manager to Trustee and in respect of which the Manager has issued a Rating Affirmation Notice in relation to each Rating Agency.

**Required Income Amount** This is described in Section 8.6(d) ("*Principal Draw*").

**Restricted Asset** means each Asset of the Series Trust which has become a "Restricted Asset" in accordance with the Security Trust Deed as described in Section 10.6(b)(vi) ("*Nature of the Charge*").

**Retail Client** This has the meaning given in section 761G of the Corporations Act.

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| **Review Date** | means 30 June 2020 and each anniversary of that date. |
| **S&P** | means S&P Global Ratings Australia Pty Ltd ABN 62 007 324 852. |
| **Secured Creditor** | This is described in Section 10.6(a) ("*The Security Trust Deed*"). |
| **Secured Moneys** | means the aggregate of all moneys owing to the Security Trustee or to a Secured Creditor under any of the Transaction Documents whether such amounts are liquidated or not or are contingent or presently accrued due, and including rights sounding in damages only, provided that the amount owing by the Trustee in relation to the principal component of a Note is to be calculated by reference to the Invested Amount of that Note. |
| **Security Certificate** | This is described in Section 8.2(a) (*"Form of the Notes"*). |
| **Security Interest** | means any:<br>(a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or (2) of the PPSA; or<br>(b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or<br>(c) right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or<br>(d) third party right or interest or any right arising as a consequence of the enforcement of a judgment,<br>or any agreement to create any of them or allow them to exist. |
| **Security Transfer** | This is described in Section 8.2(c) (*"Form of the Notes"*). |
| **Security Trust** | means the trust created under the Security Trust Deed, as described in Section 10.6(b) ("*Nature of the Charge*"). |
| **Security Trust Deed** | This is described in Section 16 (*"Transaction Documents"*). |
| **Security Trustee** | This is described in Section 2.1 (*"Parties to the Transaction"*). |

**Seller** Commonwealth Bank of Australia.

**Seller Advance** This is described in Section 8.12 (*"Payment of the Available Principal Amount on a Distribution Date"*).

**Senior Secured Moneys** means any obligation of the Trustee in relation to the Secured Money:

(a) owing in respect of the Class A1 Notes or the Class A1-R Notes and any obligations ranking equally or senior to the Class A1 Notes or the Class A1-R Notes (as determined in accordance with the order of priority set out in Section 8.9 (*"Payment of the Available Income Amount on a Distribution Date"*)), at any time while the Class A1 Notes or the Class A1-R Notes are outstanding;

(b) owing in respect of the Class A2 Notes and any obligations ranking equally or senior to the Class A2 Notes (as determined in accordance with the order of priority set out in Section 8.9 (*"Payment of the Available Income Amount on a Distribution Date"*)), at any time while the Class A2 Notes are outstanding but no Class A1 Notes or Class A1-R Notes are outstanding;

(c) owing in respect of the Class B Notes and any obligations ranking equally or senior to the Class B Notes (as determined in accordance with the order of priority set out in Section 8.9 (*"Payment of the Available Income Amount on a Distribution Date"*)), at any time while the Class B Notes are outstanding but no Class A1 Notes, Class A1-R Notes or Class A2 Notes are outstanding;

(d) owing in respect of the Class C Notes and any obligations ranking equally or senior to the Class C Notes (as determined in accordance with the order of priority set out in Section 8.9 (*"Payment of the Available Income Amount on a Distribution Date"*)), at any time while the Class C Notes are outstanding but no Class A1 Notes, Class A1-R Notes, Class A2 Notes or Class B Notes are outstanding;

(d) owing in respect of the Class D Notes and any obligations ranking equally or senior to the Class D Notes (as determined in accordance with the order of priority set out in Section 8.9 (*"Payment of the Available Income Amount on a Distribution Date"*)), at any time while the Class D Notes are outstanding but no Class A1 Notes,

Class A1-R Notes, Class A2 Notes, Class B Notes or Class C Notes are outstanding;

(e) owing in respect of the Class E Notes and any obligations ranking equally or senior to the Class E Notes (as determined in accordance with the order of priority set out in Section 8.9 (*"Payment of the Available Income Amount on a Distribution Date"*)), at any time while the Class E Notes are outstanding but no Class A1 Notes, Class A1-R Notes, Class A2 Notes, Class B Notes, Class C Notes or Class D Notes are outstanding;

(f) owing in respect of the Class F Notes and any obligations ranking equally or senior to the Class F Notes (as determined in accordance with the order of priority set out in Section 8.9 (*"Payment of the Available Income Amount on a Distribution Date"*)), at any time while the Class F Notes are outstanding but no Class A1 Notes, Class A1-R Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes are outstanding; and

(g) under the Transaction Documents generally, at any time while no Notes are outstanding.

**Series Supplement** This is described in Section 16 (*"Transaction Documents"*).

**Series Trust** This is described in Section 1.2 (*"Purpose"*).

**Servicer** This is described in Section 11.1 (*"Servicing of the Mortgage Loans"*).

**Servicer Default** This is described in Section 11.1(k) (*"Removal, Resignation and Replacement of the Servicer"*).

**Specified Performing Mortgage Loans Amount** means at any time means the amount equal to the Performing Mortgage Loans Amount at that time multiplied by 0.0062.

**Stated Amount** for a Note, means:

(a) the principal amount of that Note upon issue; less

(b) the aggregate of principal payments previously made on that Note; less

(c) the aggregate of all then unreimbursed Principal Chargeoffs on that Note.

**Step-Down Conditions** This is described in Section 8.13 (*"Step-Down Conditions"*).

| | |
|---|---|
| **Step-Down Interest Rate** | in relation to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and an Accrual Period ending after the Call Date, means the aggregate of Compounded AONIA in respect of that Accrual Period and the Step-Down Margin. |
| **Step-Down Margin** | means, in relation to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the lesser of:<br>(a) the margin applicable to the relevant Class of Notes as set out in Section 2.2 ("*Summary of the Notes*"); and<br>(b) 2.25%. |
| **Subordinated Termination Payment** | means any termination payment due from the Trustee under the Interest Rate Swap Agreement:<br>(a) following an Event of Default (as defined in the Interest Rate Swap Agreement) and where the Interest Rate Swap Provider is the Defaulting Party or the sole Affected Party (each as defined in the Interest Rate Swap Agreement); or<br>(b) where the termination payment arises as a result of a transaction being terminated due to the prepayment of any related Mortgage Loan and there are insufficient break costs or early termination amounts (without double counting) recovered from the relevant borrowers to pay such termination payment. |
| **Subsequent Class A1 Refinancing Date** | This is described in Section 2.2 ("*Summary of the Notes*"). |
| **Support Facility** | means the Basis Swap, the Fixed Rate Swap, any additional swap transactions entered into under the Interest Rate Swap Agreement, the Liquidity Facility, the Mortgage Insurance Policy and the Redraw Facility. |
| **Support Facility Provider** | means the Liquidity Facility Provider, the Basis Swap Provider, the Fixed Rate Swap Provider, any provider of a Mortgage Insurance Policy and the Redraw Facility Provider. |
| **Taxation Administration Act** | This is described in Section 12.3(a)(iii) ("*Other tax matters that are relevant to Noteholders*"). |
| **Termination Date** | means the earliest of the following dates to occur:<br>(a) if Notes have been issued by the Trustee, the date appointed by the Manager as the Termination |

Date by notice in writing to the Trustee (which must not be a date earlier than:

(i) the date that all Notes have been redeemed or deemed to be redeemed in full in accordance with the Transaction Documents; or

(ii) if an Event of Default has occurred, the date of the final distribution by the Security Trustee under the Security Trust Deed);

(b) if Notes have not been issued by the Trustee, the date appointed by the Manager as the Termination Date by notice in writing to the Trustee;

(c) the date which is 80 years after the date of the constitution of the Series Trust in accordance with the Master Trust Deed and the Notice of Creation of Series Trust; and

(d) the date on which the Trustee is required under the Series Supplement to liquidate the Assets of the Series Trust following a Potential Termination Event.

**Threshold Rate** means, at any time, the per annum rate equal to the aggregate of:

(a) the minimum rate of interest that must be set on all Mortgage Loans (where permitted by the terms of the Mortgage Loan and corresponding loan agreement) which will be sufficient (assuming that all relevant parties comply with their obligations at all times under the Transaction Documents and the mortgage documents), when aggregated with the income produced by the rate of interest on all other Mortgage Loans and the income from Authorised Short-Term Investments and available for distribution under the Series Supplement, to ensure that the Trustee will have available to it sufficient Finance Charge Collections and Other Income Amounts to enable it to pay the amounts comprised in the Required Income Amount as they fall due; and

(b) 0.25%.

**Transaction Documents** These are described in Section 16 (*"Transaction Documents"*).

**Transfer Amount** in relation to a Transfer Proposal, means the amount specified as such in that Transfer Proposal, as determined by the Manager, which must be:

(a) the aggregate principal outstanding of the Assigned Assets in relation to that Transfer Proposal as at close of business on the Business Day immediately preceding the cut-off date in relation to that Transfer Proposal; or

(b) such other amount as is agreed between the Trustee and the Manager provided that the Manager has given written confirmation to the Trustee that the Manager has received confirmation from each Rating Agency in relation to the Acquiring Trust that the transfer of the Assigned Assets in relation to that Transfer Proposal for that amount will not result in a reduction, qualification or withdrawal of any ratings then assigned by it in relation to any Note in relation to the Acquiring Trust or the Disposing Trust.

**Transfer Proposal** means 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** This is described in Section 2.1 ("*Parties to the Transaction"*) and Section 10.3 ("*The Trustee*").

**Trustee Default** means:

(a) the Trustee fails within 20 Business Days, or such longer period as the Manager may agree to, after notice from the Manager to carry out or satisfy any material duty or obligation imposed by the Master Trust Deed or any other Transaction Document in respect of a Medallion Trust Programme trust established under the Master Trust Deed;

(b) an Insolvency Event occurs with respect to the Trustee in its personal capacity;

(c) the Trustee ceases to carry on business;

(d) the Trustee merges or consolidates into another entity, unless approved by the Manager, which approval will not be withheld if, in the Manager's reasonable opinion, the commercial reputation and standing of the surviving entity will not be less than that of the Trustee prior to such merger or consolidation, and unless the surviving entity

assumes the obligations of the Trustee under the Transaction Documents in respect of a Medallion Trust Programme trust established under the Master Trust Deed; or

(e) there is a change in the ownership of 50 per cent or more of the issued equity share capital of the Trustee from the position as at the date of the Master Trust Deed, or effective control of the Trustee alters from the position as at the date of the Master Trust Deed, unless in either case approved by the Manager, which approval will not be withheld if, in the Manager's reasonable opinion, the change in ownership or control of the Trustee will not result in a lessening of the commercial reputation and standing of the Trustee.

**Unit** means a unit in the Series Trust.

**Unitholder** means at any given time means the person then appearing in the Register as a holder of a Unit.

**Voting Entitlements** on a particular date, means the number of votes which a Voting Secured Creditor would be entitled to exercise if a meeting of Voting Secured Creditors were held on that date, being the number calculated by dividing the Secured Moneys owing to that Voting Secured Creditor by 10 and rounding the resultant figure down to the nearest whole number.

**Voting Secured Creditors** means:

(a) while any Class A1 Notes or Class A1-R Notes then remain outstanding, the Class A1 Noteholders or the Class A1-R Noteholders; and

(b) if no Class A1 Notes or Class A1-R Notes then remain outstanding, but Class A2 Notes then remain outstanding, the Class A2 Noteholders; and

(c) if no Class A1 Notes, Class A1-R Notes or Class A2 Notes then remain outstanding, but Class B Notes then remain outstanding, the Class B Noteholders; and

(d) if no Class A1 Notes, Class A1-R Notes, Class A2 Notes or Class B Notes then remain outstanding, but Class C Notes then remain outstanding, the Class C Noteholders;

(e) if no Class A1 Notes, Class A1-R Notes, Class A2 Notes, Class B Notes or Class C Notes then

remain outstanding, but Class D Notes then remain outstanding, the Class D Noteholders;

(f) if no Class A1 Notes, Class A1-R Notes, Class A2 Notes, Class B Notes, Class C Notes or Class D Notes then remain outstanding, but Class E Notes then remain outstanding, the Class E Noteholders;

(g) if no Class A1 Notes, Class A1-R Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes then remain outstanding, but Class F Notes then remain outstanding, the Class F Noteholders; and

(h) if no Notes remain outstanding, each other Secured Creditor.

# Directory

| | |
|---|---|
| **Trustee** | Perpetual Trustee Company Limited<br>Level 18,<br>123 Pitt Street<br>Sydney NSW 2000 |
| **Security Trustee** | P.T. Limited<br>Level 18,<br>123 Pitt Street<br>Sydney NSW 2000 |
| **Manager** | Securitisation Advisory Services Pty. Limited<br>Ground Floor<br>Darling Park<br>Tower 1<br>201 Sussex Street<br>Sydney NSW 2000 |
| **Liquidity Facility Provider, Interest Rate Swap Provider** and **Redraw Facility Provider** | Commonwealth Bank of Australia<br>Ground Floor<br>Darling Park<br>Tower 1<br>201 Sussex Street<br>Sydney NSW 2000 |
| **Seller** | Commonwealth Bank of Australia<br>Ground Floor<br>Darling Park<br>Tower 1<br>201 Sussex Street<br>Sydney NSW 2000 |
| **Servicer** | Commonwealth Bank of Australia<br>Ground Floor<br>Darling Park<br>Tower 1<br>201 Sussex Street<br>Sydney NSW 2000 |
| **Arranger, Lead Manager and Bookrunner** | Commonwealth Bank of Australia<br>Ground Floor<br>Darling Park<br>Tower 1<br>201 Sussex Street<br>Sydney NSW 2000 |
| **Co-Managers** | Citigroup Global Markets Australia Pty Ltd<br>Level 23<br>2 Park Street<br>Sydney NSW 2000<br><br>Deutsche Bank AG, Sydney Branch<br>Level 16<br>Deutsche Bank Place<br>Cnr Hunter and Phillip Streets |

| | |
|---|---|
| | Sydney NSW 2000 |
| | Macquarie Bank Limited<br>Level 1<br>50 Martin Place<br>Sydney NSW 2000 |
| **Solicitors to Commonwealth Bank of Australia and Securitisation Advisory Services Pty. Limited** | King & Wood Mallesons<br>Level 61<br>Governor Phillip Tower<br>1 Farrer Place<br>Sydney NSW 2000 |

# Appendix A

# Mortgage Loan Information (initial Mortgage Loan pool)

## Pool Profile by Origination Channel

| Origination Channel | No. of Loans | Total Loan Balance (A$) | % by Loan Balance | Weighted Average Interest Rate (%) | Weighted Average Current LTV (%) | Weighted Average Term to Maturity (in months) |
|---|---|---|---|---|---|---|
| Commonwealth Bank | 3,414 | 1,019,567,214 | 67.97% | 3.71% | 56.94% | 303 |
| Commonwealth Bank approved mortgage-broker originated (Colonial Brand) | 1,469 | 480,432,269 | 32.03% | 3.83% | 65.01% | 310 |
| **Total** | **4,883** | **1,499,999,483** | **100.00%** | **3.75%** | **59.52%** | **305** |

## Pool Profile by Year of Origination (Quarterly)

| Year of Origination | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 2002Q1 | 2 | 1,190,000 | 388,444 | 34.95% | 194,222 | 0.03% |
| 2002Q2 | 3 | 1,895,000 | 419,389 | 27.27% | 139,796 | 0.03% |
| 2002Q3 | 2 | 2,350,000 | 473,606 | 24.17% | 236,803 | 0.03% |
| 2002Q4 | 2 | 757,320 | 128,470 | 18.54% | 64,235 | 0.01% |
| 2003Q3 | 4 | 2,280,000 | 491,638 | 23.06% | 122,910 | 0.03% |
| 2003Q4 | 4 | 2,495,903 | 681,727 | 36.96% | 170,432 | 0.05% |
| 2004Q1 | 2 | 798,000 | 403,391 | 65.82% | 201,696 | 0.03% |
| 2004Q2 | 2 | 725,000 | 212,085 | 33.69% | 106,042 | 0.01% |
| 2004Q3 | 5 | 2,627,937 | 850,142 | 37.98% | 170,028 | 0.06% |
| 2004Q4 | 3 | 1,669,312 | 470,106 | 28.38% | 156,702 | 0.03% |
| 2005Q1 | 5 | 2,033,000 | 693,413 | 44.32% | 138,683 | 0.05% |
| 2005Q2 | 6 | 2,450,852 | 749,418 | 41.47% | 124,903 | 0.05% |
| 2005Q3 | 3 | 1,598,501 | 693,359 | 44.80% | 231,120 | 0.05% |
| 2005Q4 | 14 | 5,901,000 | 2,006,507 | 41.42% | 143,322 | 0.13% |
| 2006Q1 | 11 | 7,279,917 | 1,811,367 | 34.14% | 164,670 | 0.12% |
| 2006Q2 | 19 | 9,566,099 | 2,983,936 | 39.28% | 157,049 | 0.20% |
| 2006Q3 | 11 | 4,786,891 | 1,713,134 | 40.94% | 155,739 | 0.11% |
| 2006Q4 | 15 | 6,920,000 | 2,993,243 | 46.05% | 199,550 | 0.20% |
| 2007Q1 | 11 | 6,162,468 | 1,708,598 | 36.45% | 155,327 | 0.11% |
| 2007Q2 | 18 | 8,758,028 | 2,809,846 | 38.10% | 156,103 | 0.19% |
| 2007Q3 | 20 | 12,143,164 | 3,578,693 | 39.92% | 178,935 | 0.24% |
| 2007Q4 | 28 | 16,748,855 | 5,280,875 | 39.94% | 188,603 | 0.35% |

| Year of Origination | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 2008Q1 | 25 | 10,699,904 | 3,827,493 | 50.99% | 153,100 | 0.26% |
| 2008Q2 | 17 | 8,513,000 | 3,631,354 | 53.59% | 213,609 | 0.24% |
| 2008Q3 | 26 | 11,810,967 | 5,313,118 | 52.93% | 204,351 | 0.35% |
| 2008Q4 | 37 | 20,704,990 | 8,414,190 | 49.99% | 227,411 | 0.56% |
| 2009Q1 | 37 | 18,755,731 | 7,964,885 | 55.18% | 215,267 | 0.53% |
| 2009Q2 | 36 | 18,666,737 | 7,330,747 | 48.26% | 203,632 | 0.49% |
| 2009Q3 | 31 | 18,141,405 | 7,465,671 | 56.76% | 240,828 | 0.50% |
| 2009Q4 | 37 | 20,819,079 | 8,060,850 | 48.05% | 217,861 | 0.54% |
| 2010Q1 | 37 | 22,759,361 | 8,071,263 | 44.14% | 218,142 | 0.54% |
| 2010Q2 | 25 | 14,951,839 | 5,982,300 | 47.88% | 239,292 | 0.40% |
| 2010Q3 | 36 | 21,537,470 | 7,954,004 | 46.23% | 220,945 | 0.53% |
| 2010Q4 | 30 | 16,544,189 | 7,450,483 | 52.68% | 248,349 | 0.50% |
| 2011Q1 | 37 | 21,683,258 | 8,784,761 | 49.13% | 237,426 | 0.59% |
| 2011Q2 | 49 | 29,414,740 | 11,826,634 | 51.15% | 241,360 | 0.79% |
| 2011Q3 | 50 | 28,883,095 | 12,103,375 | 54.21% | 242,068 | 0.81% |
| 2011Q4 | 62 | 35,929,568 | 16,438,316 | 55.97% | 265,134 | 1.10% |
| 2012Q1 | 34 | 17,907,455 | 8,782,460 | 57.14% | 258,308 | 0.59% |
| 2012Q2 | 29 | 14,909,505 | 7,815,279 | 59.48% | 269,492 | 0.52% |
| 2012Q3 | 59 | 37,151,354 | 15,008,175 | 53.26% | 254,376 | 1.00% |
| 2012Q4 | 57 | 29,499,086 | 13,370,329 | 56.19% | 234,567 | 0.89% |
| 2013Q1 | 66 | 43,987,031 | 18,515,803 | 53.74% | 280,542 | 1.23% |
| 2013Q2 | 90 | 48,116,014 | 21,273,798 | 54.74% | 236,376 | 1.42% |
| 2013Q3 | 77 | 42,946,790 | 20,216,729 | 57.47% | 262,555 | 1.35% |
| 2013Q4 | 78 | 43,534,797 | 22,908,443 | 61.97% | 293,698 | 1.53% |
| 2014Q1 | 77 | 37,514,451 | 19,417,345 | 60.62% | 252,173 | 1.29% |
| 2014Q2 | 92 | 46,423,286 | 25,164,481 | 61.50% | 273,527 | 1.68% |
| 2014Q3 | 108 | 55,066,487 | 29,298,209 | 61.14% | 271,280 | 1.95% |
| 2014Q4 | 136 | 86,436,271 | 43,181,938 | 59.57% | 317,514 | 2.88% |
| 2015Q1 | 139 | 82,596,178 | 39,513,458 | 57.64% | 284,269 | 2.63% |
| 2015Q2 | 154 | 87,723,524 | 45,747,597 | 60.63% | 297,062 | 3.05% |
| 2015Q3 | 149 | 100,682,211 | 45,640,057 | 56.63% | 306,309 | 3.04% |
| 2015Q4 | 157 | 87,775,102 | 47,112,213 | 63.07% | 300,078 | 3.14% |
| 2016Q1 | 125 | 82,843,637 | 40,931,763 | 59.62% | 327,454 | 2.73% |
| 2016Q2 | 130 | 86,821,092 | 48,962,909 | 65.40% | 376,638 | 3.26% |
| 2016Q3 | 166 | 113,673,289 | 60,730,023 | 62.30% | 365,844 | 4.05% |
| 2016Q4 | 159 | 98,517,450 | 56,160,061 | 67.33% | 353,208 | 3.74% |
| 2017Q1 | 133 | 92,088,066 | 49,616,975 | 65.27% | 373,060 | 3.31% |
| 2017Q2 | 155 | 103,620,079 | 55,234,474 | 64.95% | 356,351 | 3.68% |
| 2017Q3 | 180 | 122,288,506 | 67,383,450 | 65.93% | 374,353 | 4.49% |
| 2017Q4 | 410 | 291,081,831 | 144,309,399 | 61.79% | 351,974 | 9.62% |
| 2018Q1 | 505 | 360,279,926 | 168,779,075 | 58.96% | 334,216 | 11.25% |
| 2018Q2 | 484 | 347,880,651 | 165,517,880 | 58.38% | 341,979 | 11.03% |
| 2018Q3 | 172 | 115,559,524 | 57,246,331 | 58.87% | 332,828 | 3.82% |
| **Total for all Regions** | **4,883** | **3,097,876,173** | **1,499,999,483** | **59.52%** | **307,188** | **100.00%** |

## Pool Profile by Geographic Distribution

| Region | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| **Australian Capital Territory** | | | | | | |
| Metro… | 84 | 47,229,806 | 27,241,807 | 65.70% | 324,307 | 1.82% |
| **New South Wales** | | | | | | |
| Inner City… | 10 | 8,016,098 | 5,639,332 | 71.75% | 563,933 | 0.38% |
| Metro… | 855 | 823,626,708 | 355,717,814 | 56.57% | 416,044 | 23.71% |
| Non Metro… | 503 | 255,085,727 | 129,368,779 | 59.56% | 257,194 | 8.62% |
| **Northern Territory** | | | | | | |
| Metro… | 23 | 11,900,913 | 6,825,567 | 65.26% | 296,764 | 0.46% |
| Non Metro… | 15 | 7,610,341 | 4,345,705 | 62.85% | 289,714 | 0.29% |
| **Queensland** | | | | | | |
| Inner City | 7 | 3,407,000 | 2,280,899 | 68.80% | 325,843 | 0.15% |
| Metro… | 480 | 288,215,345 | 156,600,430 | 62.90% | 326,251 | 10.44% |
| Non Metro… | 466 | 199,432,415 | 113,108,387 | 64.41% | 242,722 | 7.54% |
| **South Australia** | | | | | | |
| Inner City…. | 2 | 800,000 | 410,966 | 55.25% | 205,483 | 0.03% |
| Metro……. | 277 | 136,463,870 | 69,836,638 | 61.42% | 252,118 | 4.66% |
| Non Metro… | 88 | 31,477,925 | 18,676,658 | 66.25% | 212,235 | 1.25% |
| **Tasmania** | | | | | | |
| Inner City… | 4 | 4,308,499 | 1,841,206 | 44.21% | 460,301 | 0.12% |
| Metro……... | 52 | 22,715,464 | 11,082,045 | 57.17% | 213,116 | 0.74% |
| Non Metro… | 59 | 18,409,056 | 10,046,045 | 62.88% | 170,272 | 0.67% |
| **Victoria** | | | | | | |
| Inner City… | 26 | 15,242,821 | 9,036,702 | 64.64% | 347,565 | 0.60% |
| Metro……... | 1,182 | 869,267,419 | 386,205,626 | 56.27% | 326,739 | 25.75% |
| Non Metro… | 312 | 116,249,974 | 63,889,936 | 62.60% | 204,775 | 4.26% |
| **Western Australia** | | | | | | |
| Inner City…. | 9 | 5,001,515 | 2,998,402 | 67.25% | 333,156 | 0.20% |
| Metro… | 311 | 186,512,762 | 98,251,765 | 62.89% | 315,922 | 6.55% |
| Non Metro… | 118 | 46,902,515 | 26,594,774 | 62.41% | 225,379 | 1.77% |
| **Total for all Regions** | **4,883** | **3,097,876,173** | **1,499,999,483** | **59.52%** | **307,188** | **100.00%** |

## Pool Profile by Balance Outstanding

| Current Loan Balance (A$) | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 50,000.00 < $A <= 100,000.00 | 441 | 208,901,773 | 33,750,272 | 26.24% | 76,531 | 2.25% |
| 100,000.00 < $A <= 150,000.00 | 528 | 244,571,565 | 66,969,295 | 38.05% | 126,836 | 4.46% |

| Current Loan Balance (A$) | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 150,000.00 < $A <= 200,000.00 | 555 | 269,081,275 | 97,240,824 | 48.33% | 175,209 | 6.48% |
| 200,000.00 < $A <= 250,000.00 | 622 | 298,771,702 | 139,724,316 | 56.54% | 224,637 | 9.31% |
| 250,000.00 < $A <= 300,000.00 | 583 | 312,674,443 | 159,726,603 | 59.39% | 273,974 | 10.65% |
| 300,000.00 < $A <= 350,000.00 | 507 | 296,333,237 | 164,600,207 | 62.27% | 324,655 | 10.97% |
| 350,000.00 < $A <= 400,000.00 | 413 | 285,732,831 | 154,744,327 | 61.91% | 374,684 | 10.32% |
| 400,000.00 < $A <= 450,000.00 | 333 | 259,219,831 | 141,721,117 | 62.35% | 425,589 | 9.45% |
| 450,000.00 < $A <= 500,000.00 | 253 | 220,143,010 | 119,910,554 | 62.81% | 473,955 | 7.99% |
| 500,000.00 < $A <= 550,000.00 | 158 | 132,580,622 | 82,720,643 | 67.37% | 523,548 | 5.51% |
| 550,000.00 < $A <= 600,000.00 | 129 | 124,198,856 | 74,014,285 | 64.48% | 573,754 | 4.93% |
| 600,000.00 < $A <= 650,000.00 | 105 | 106,436,106 | 65,590,661 | 66.16% | 624,673 | 4.37% |
| 650,000.00 < $A <= 700,000.00 | 66 | 74,661,158 | 44,625,768 | 63.83% | 676,148 | 2.98% |
| 700,000.00 < $A <= 750,000.00 | 54 | 63,121,682 | 39,204,928 | 67.94% | 726,017 | 2.61% |
| 750,000.00 < $A <= 800,000.00 | 39 | 52,442,732 | 30,293,449 | 67.34% | 776,755 | 2.02% |
| 800,000.00 < $A <= 850,000.00 | 43 | 70,598,059 | 35,622,708 | 57.16% | 828,435 | 2.37% |
| 850,000.00 < $A <= 900,000.00 | 20 | 27,256,681 | 17,493,055 | 65.59% | 874,653 | 1.17% |
| 900,000.00 < $A <= 950,000.00 | 18 | 24,855,000 | 16,530,149 | 69.36% | 918,342 | 1.10% |
| 950,000.00 < $A <= 1,000,000.00 | 16 | 26,295,610 | 15,516,323 | 64.25% | 969,770 | 1.03% |
| **Total** | **4,883** | **3,097,876,173** | **1,499,999,483** | **59.52%** | **307,188** | **100.00%** |

## Pool Profile by Current Loan to Value Ratio (LTV)

| Current LTV (%) | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 0.00 < LVR <= 5.00 | 7 | 13,661,834 | 552,189 | 4.13% | 78,884 | 0.04% |
| 5.00 < LVR <= 10.00 | 94 | 112,853,011 | 8,874,599 | 8.11% | 94,411 | 0.59% |
| 10.00 < LVR <= 15.00 | 192 | 195,478,228 | 24,720,541 | 12.79% | 128,753 | 1.65% |
| 15.00 < LVR <= 20.00 | 198 | 174,570,511 | 30,976,434 | 17.87% | 156,447 | 2.07% |
| 20.00 < LVR <= 25.00 | 219 | 194,193,319 | 43,711,643 | 22.60% | 199,597 | 2.91% |
| 25.00 < LVR <= 30.00 | 241 | 189,576,319 | 52,028,347 | 27.52% | 215,885 | 3.47% |
| 30.00 < LVR <= 35.00 | 194 | 136,089,348 | 44,576,754 | 32.82% | 229,777 | 2.97% |
| 35.00 < LVR <= 40.00 | 234 | 174,334,068 | 65,306,843 | 37.52% | 279,089 | 4.35% |
| 40.00 < LVR <= 45.00 | 226 | 152,478,353 | 64,938,397 | 42.64% | 287,338 | 4.33% |
| 45.00 < LVR <= 50.00 | 249 | 159,810,460 | 76,104,761 | 47.66% | 305,642 | 5.07% |

| Current LTV (%) | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 50.00 < LVR <= 55.00 | 286 | 172,503,500 | 90,828,887 | 52.69% | 317,584 | 6.06% |
| 55.00 < LVR <= 60.00 | 348 | 196,910,920 | 113,281,776 | 57.56% | 325,522 | 7.55% |
| 60.00 < LVR <= 65.00 | 347 | 191,223,561 | 119,752,345 | 62.66% | 345,108 | 7.98% |
| 65.00 < LVR <= 70.00 | 542 | 282,973,300 | 191,211,556 | 67.60% | 352,789 | 12.75% |
| 70.00 < LVR <= 75.00 | 657 | 331,396,545 | 240,334,937 | 72.55% | 365,807 | 16.02% |
| 75.00 < LVR <= 80.00 | 607 | 329,810,205 | 256,457,750 | 77.79% | 422,500 | 17.10% |
| 80.00 < LVR <= 85.00 | 136 | 53,428,341 | 43,906,800 | 82.19% | 322,844 | 2.93% |
| 85.00 < LVR <= 90.00 | 76 | 26,673,350 | 23,342,743 | 87.53% | 307,141 | 1.56% |
| 90.00 < LVR <= 95.00 | 30 | 9,911,000 | 9,092,181 | 91.75% | 303,073 | 0.61% |
| **Total** | **4,883** | **3,097,876,173** | **1,499,999,483** | **59.52%** | **307,188** | **100.00%** |

## Pool Profile by Year of Maturity

| Maturity Year | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 2023 | 4 | 1,856,341 | 252,413 | 23.41% | 63,103 | 0.02% |
| 2024 | 2 | 429,312 | 118,176 | 27.53% | 59,088 | 0.01% |
| 2025 | 9 | 3,808,521 | 661,948 | 21.01% | 73,550 | 0.04% |
| 2026 | 9 | 3,908,142 | 818,498 | 26.35% | 90,944 | 0.05% |
| 2027 | 15 | 11,064,009 | 3,018,602 | 39.13% | 201,240 | 0.20% |
| 2028 | 37 | 19,730,483 | 3,806,288 | 27.06% | 102,873 | 0.25% |
| 2029 | 13 | 8,766,754 | 2,239,981 | 30.59% | 172,306 | 0.15% |
| 2030 | 18 | 11,856,717 | 2,565,760 | 32.31% | 142,542 | 0.17% |
| 2031 | 17 | 13,883,562 | 3,504,845 | 39.75% | 206,167 | 0.23% |
| 2032 | 21 | 18,757,997 | 4,639,126 | 37.90% | 220,911 | 0.31% |
| 2033 | 52 | 34,833,521 | 10,008,205 | 40.63% | 192,465 | 0.67% |
| 2034 | 34 | 17,417,956 | 6,412,910 | 47.33% | 188,615 | 0.43% |
| 2035 | 49 | 28,452,298 | 10,262,415 | 44.59% | 209,437 | 0.68% |
| 2036 | 84 | 46,694,090 | 16,451,757 | 42.57% | 195,854 | 1.10% |
| 2037 | 107 | 67,599,943 | 22,475,650 | 41.02% | 210,053 | 1.50% |
| 2038 | 151 | 90,271,839 | 29,181,373 | 44.51% | 193,254 | 1.95% |
| 2039 | 144 | 80,400,637 | 32,289,560 | 52.38% | 224,233 | 2.15% |
| 2040 | 152 | 93,990,866 | 37,022,936 | 50.12% | 243,572 | 2.47% |
| 2041 | 188 | 108,737,269 | 45,919,145 | 53.36% | 244,251 | 3.06% |
| 2042 | 209 | 119,672,220 | 54,833,446 | 55.80% | 262,361 | 3.66% |
| 2043 | 310 | 172,380,684 | 84,985,687 | 57.82% | 274,147 | 5.67% |
| 2044 | 354 | 191,214,307 | 102,879,401 | 61.79% | 290,620 | 6.86% |
| 2045 | 548 | 337,115,143 | 170,902,822 | 59.60% | 311,866 | 11.39% |
| 2046 | 572 | 364,030,171 | 202,891,312 | 64.27% | 354,705 | 13.53% |
| 2047 | 687 | 450,647,588 | 251,459,823 | 66.37% | 366,026 | 16.76% |
| 2048 | 1,097 | 800,355,803 | 400,397,406 | 60.48% | 364,993 | 26.69% |
| **Total** | **4,883** | **3,097,876,173** | **1,499,999,483** | **59.52%** | **307,188** | **100.00%** |

## Pool Profile by Loan Purpose

| Loan Purpose | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| Owner Occupied | 3,871 | 2,492,473,177 | 1,145,178,233 | 57.40% | 295,835 | 76.35% |
| Investment | 1,012 | 605,402,996 | 354,821,250 | 66.35% | 350,614 | 23.65% |
| **Total** | **4,883** | **3,097,876,173** | **1,499,999,483** | **59.52%** | **307,188** | **100.00%** |

## Pool Profile by Amortisation

| Payment Type | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| Principal and Interest | 4,202 | 2,629,999,133 | 1,247,610,536 | 58.64% | 296,909 | 83.17% |
| Interest Only | 681 | 467,877,040 | 252,388,946 | 63.89% | 370,615 | 16.83% |
| **Total** | **4,883** | **3,097,876,173** | **1,499,999,483** | **59.52%** | **307,188** | **100.00%** |

## Pool Profile by Mortgage Insurer

| Mortgage Insurer | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| No Insurance | 3,890 | 2,665,300,974 | 1,242,042,298 | 57.83% | 319,291 | 82.80% |
| Genworth | 993 | 432,575,199 | 257,957,185 | 67.65% | 259,776 | 17.20% |
| **Total** | **4,883** | **3,097,876,173** | **1,499,999,483** | **59.52%** | **307,188** | **100.00%** |

## Pool Profile by Loan Type

| Loan Type (fixed term remaining) | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| Variable | 4,189 | 2,728,526,697 | 1,263,614,743 | 57.83% | 301,651 | 84.24% |
| Fixed < 12 Months | 354 | 189,469,722 | 121,777,082 | 68.29% | 344,003 | 8.12% |
| 1yr Fixed | 265 | 142,220,250 | 90,682,150 | 69.01% | 342,197 | 6.05% |
| 2yr Fixed | 58 | 30,486,615 | 19,598,784 | 68.37% | 337,910 | 1.31% |
| 3yr Fixed | 11 | 4,097,889 | 2,903,153 | 72.80% | 263,923 | 0.19% |
| 4yr Fixed | 6 | 3,075,000 | 1,423,571 | 54.02% | 237,262 | 0.09% |
| **Total** | **4,883** | **3,097,876,173** | **1,499,999,483** | **59.52%** | **307,188** | **100.00%** |

## Pool Profile by Current Interest Rates

| Current Interest Rate (%) | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| 2.50 < rate <= 3.00 | 13 | 8,526,238 | 4,406,661 | 59.21% | 338,974 | 0.29% |
| 3.00 < rate <= 3.50 | 1,637 | 1,261,328,679 | 582,165,866 | 56.76% | 355,630 | 38.81% |
| 3.50 < rate <= 4.00 | 1,669 | 1,029,162,678 | 495,433,781 | 60.20% | 296,845 | 33.03% |
| 4.00 < rate <= 4.50 | 1,308 | 678,849,478 | 356,202,593 | 62.86% | 272,326 | 23.75% |
| 4.50 < rate <= 5.00 | 232 | 109,501,746 | 57,428,873 | 61.01% | 247,538 | 3.83% |
| 5.00 < rate <= 5.50 | 21 | 8,922,268 | 3,724,636 | 59.78% | 177,364 | 0.25% |
| 6.50 < rate <= 7.00 | 2 | 770,000 | 425,975 | 56.82% | 212,988 | 0.03% |
| 7.00 < rate <= 7.50 | 1 | 815,086 | 211,098 | 25.90% | 211,098 | 0.01% |
| **Total** | **4,883** | **3,097,876,173** | **1,499,999,483** | **59.52%** | **307,188** | **100.00%** |

## Profile by Debtor Category – First Home Loan or non-First Home Loan

| Debtor category | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| Non-First Home Loan | 4,428 | 2,903,126,356 | 1,391,608,125 | 59.28% | 314,275 | 92.77% |
| First Home Loan | 455 | 194,749,817 | 108,391,357 | 62.61% | 238,223 | 7.23% |
| **Total** | **4,883** | **3,097,876,173** | **1,499,999,483** | **59.52%** | **307,188** | **100.00%** |

## Profile by Debtor Category - Employment

| Employment category | No. of Loans | Total Security Valuations (A$) | Total Loan Balance (A$) | Weighted Average Current LTV (%) | Average Loan Balance (A$) | % by Loan Balance |
|---|---|---|---|---|---|---|
| Farmers, Fishermen, Miners | 78 | 34,772,924 | 18,551,097 | 61.10% | 237,835 | 1.24% |
| Independent means | 72 | 48,988,663 | 20,969,124 | 54.06% | 291,238 | 1.40% |
| PAYE Employees | 2,422 | 1,419,987,350 | 704,477,941 | 60.27% | 290,866 | 46.97% |
| Professional | 1,806 | 1,265,441,474 | 598,327,479 | 58.79% | 331,300 | 39.89% |
| Sales | 314 | 189,742,192 | 85,869,755 | 57.68% | 273,471 | 5.72% |
| Self-employed | 191 | 138,943,570 | 71,804,087 | 61.69% | 375,938 | 4.79% |
| **Total** | **4,883** | **3,097,876,173** | **1,499,999,483** | **59.52%** | **307,188** | **100.00%** |