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**Confirmation of your Representation:** In order to be eligible to view this information memorandum or make an investment decision with respect to the Notes, investors must be non-U.S. persons outside of the U.S. (within the meaning of Regulation S under the Securities Act). This information memorandum is being sent at your request and by accepting the e-mail and accessing this 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 information memorandum by electronic transmission.

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# Medallion Trust

## Medallion Trust Series 2023-2 Information Memorandum



**A\$2,000,000,000**

### **Mortgage Backed Secured Pass Through Floating Rate Notes Comprising**

**A\$1,840,000,000**  
**Class A Mortgage Backed Pass-Through Floating Rate**  
**Securities due January 2056**

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

**A\$160,000,000**  
**Class B Mortgage Backed Pass-Through Floating Rate**  
**Securities due January 2056**

*Unrated*

**Arranger, Bookrunner and Lead Manager**  
**Commonwealth Bank of Australia**  
ABN 48 123 123 124

**10 November 2023**

## **No Guarantee by Commonwealth Bank of Australia**

The 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 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.

## **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.

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# 1 Important notice

## 1.1 Terms

References in this Information Memorandum to various documents are explained in Section 15 (“*Transaction Documents*”). Unless defined elsewhere, all other terms are defined in the Glossary in Section 16 (“*Glossary*”). Section 15 (“*Transaction Documents*”) and Section 16 (“*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 A Notes and the Class B Notes by Perpetual Trustee Company Limited ABN 42 000 001 007 in its capacity as trustee of the Medallion Trust Series 2023-2 (the “**Series Trust**”) (the “**Trustee**”). This Information Memorandum does not relate to, and is not relevant for, any other purpose.

## 1.3 Summary Only

This Information Memorandum is only a summary of the terms and conditions of the Class A Notes, the Class B 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 A Notes and the Class B 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 A Notes and the Class B 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 A Notes and the Class B 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 A Notes and Class B 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, 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, 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, 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 10 November 2023 (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, 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 any 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 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, 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 or the Manager.

## 1.8 Distribution of this Information Memorandum

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

## 1.9 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 or Part 7.9 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 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.

### 1.10 Australian Interest Withholding Tax

Division 11A of Part III of the Australian Tax Act imposes Australian 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 (as defined in the Corporations Act).

It is intended that the Class A 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 Dealer has undertaken not to offer a Class A Note if the Dealer knew, or had reasonable grounds to suspect, that the Class A Note or an interest in the Class A Note was being or would be acquired by such an Offshore Associate of the Trustee or Commonwealth Bank of Australia.

The Class B Notes will not be issued in accordance with the conditions set out in section 128F of the Australian Tax Act. Any person contemplating the subscription or purchase of any Class B Note should obtain advice from their own tax advisers in relation to the tax implications of an investment in the Class B Notes, including in relation to whether any other exemption from Australian interest withholding tax may apply to any payments in respect of such Class B Notes made to them. None of the Manager, the Trustee, the Security Trustee or Commonwealth Bank of Australia represents that any such exemption from Australian interest withholding tax will be available. The Trustee is not obligated to pay any additional amounts to Noteholders to cover any Australian interest withholding tax or any other withholding tax.

### 1.11 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, the Redraw Facility Provider and the Interest Rate Swap Provider (together, the “**Transaction Parties**”) 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 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 Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes at the same time as the offer and sale of the 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 Notes to which this 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 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 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**”);
- (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 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 Information Memorandum 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 Dealer, Arranger or Support Facility Provider) or from an Other Transaction may affect the ability of a 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.

### **1.12 Limited Recovery**

Any obligation or liability of the Trustee arising under or in any way connected with the Notes, the Master Trust Deed, the Series Supplement, the Security Trust Deed or any other Transaction Document to which the Trustee is a party is limited, except in the case of fraud, negligence or wilful default on the part of the Trustee or its officers, employees or agents or any other person whose acts or omissions the Trustee is liable for under the Transaction Documents, to the extent to which it can be satisfied out of the Assets of the Series Trust out of which the Trustee is actually indemnified for the obligation or liability. Other than in the exception previously mentioned, the 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, 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.

### **1.13 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).

### **1.14 EU Securitisation Regulation Rules and UK Securitisation Regulation Rules**

On the Closing Date and thereafter on an ongoing basis and 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 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 European Union (“EU”) directives and regulations (as amended, the “**EU Securitisation Regulation**” and, 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 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**”), undertake to the Trustee to retain a material net economic interest of not less than 5% in this securitisation transaction 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 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 and provided that the number of potentially securitised exposures is not less than 100 at origination) in accordance with Article 6(3)(c) of the EU Securitisation Regulation (“**EU Retention**”).

On the Closing Date and thereafter on an ongoing basis and 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 Regulation (EU) 2017/2402 as it forms part of the domestic law of the UK as “retained EU law”, 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**”) and, together with (a) all applicable binding technical standards made under the UK Securitisation Regulation, (b) any EU regulatory technical standards or implementing technical standards relating to the EU Securitisation Regulation (including, without limitation, such regulatory technical standards or implementing technical standards which are applicable pursuant to any transitional provisions of the EU Securitisation Regulation) forming part of the domestic law of the UK by operation of the EUWA, (c) all relevant guidance, policy statements or directions relating to the application of the UK Securitisation Regulation (or any binding technical standards) published by the Financial Conduct Authority (the “**FCA**”) and/or the Prudential Regulation Authority (the “**PRA**”) (or their successors), (d) any guidelines relating to the application of the EU Securitisation Regulation which are applicable in the UK, (e) any other relevant transitional, saving or other provision relevant to the UK Securitisation Regulation by virtue of the operation of the EUWA, and (f) any other applicable laws, acts, statutory instruments, rules, guidance or policy statements published or enacted relating to the UK Securitisation Regulation, in each case, as amended and in effect from time to time, the “**UK Securitisation Regulation Rules**”), undertake to the Trustee to retain a material net economic interest of not less than 5% in this securitisation transaction in accordance with Article 6(1) of the UK Securitisation Regulation (as in effect on the Closing Date). As at the Closing Date, such interest will be comprised of an interest in 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 and provided that the number of potentially securitised exposures is not less than 100 at origination) in accordance with Article 6(3)(c) of the UK Securitisation Regulation (“**UK Retention**”).

The EU Securitisation Regulation and the UK Securitisation Regulation are referred to together herein as the “**Securitisation Regulations**”, and the EU Securitisation Regulation Rules and the UK Securitisation Regulation Rules are referred to together herein as the “**Securitisation Regulation Rules**”.

In addition, Commonwealth Bank of Australia will give certain other representations and undertakings with respect to the Securitisation Regulation Rules, all in the manner, and on the terms, summarised in Section 3.36 (“*Securitisation Regulation Rules*”).

In particular, prospective investors and Noteholders should be aware that Commonwealth Bank of Australia will give certain undertakings as regards the transparency requirements under Article 7 of the EU Securitisation Regulation, subject to certain conditions and limitations as summarised Section 3.36 (“*Securitisation Regulation Rules*”).

However, 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 Information Memorandum (i) intends to take any action specifically for purposes of, or in connection with, any requirement of Article 7 of the UK Securitisation Regulation, or (ii) otherwise intends to make any information available to any person specifically for purposes of, or in connection with, any requirement of the UK Securitisation Regulation Rules; and (b) except as expressly described in this Information Memorandum with regard to the UK Retention and the UK Credit-Granting Standards, neither the Commonwealth Bank of Australia nor any other party to the securitisation transaction described in this 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 Regulation Rules, or to take any other action for purposes of, or in connection with, facilitating or enabling compliance by any person with any applicable UK Investor Requirements, or (ii) gives, or intends to give, any undertaking or representation with regard to any requirement of the UK Securitisation Regulation Rules.

In addition, except as described in this Information Memorandum, no party to the securitisation transaction described in this 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 EU Affected Investor with any applicable EU Investor Requirements or any corresponding national measures that may be relevant.

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 Regulation Rules and any implementing rules in relation to any relevant jurisdiction; and (ii) whether the undertakings by Commonwealth Bank of Australia to retain the EU Retention and the UK Retention as described above and in this Information Memorandum generally and the information which may otherwise be made available to investors are, or will be, sufficient for the purposes of complying with the EU Investor Requirements or the UK Investor Requirements and any corresponding national measures which may be relevant; (iv) their compliance with any applicable EU Investor Requirements or UK 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 and described in Section 3.36 (“*Securitisation Regulation Rules*”), the making of the representations and warranties described in Section 3.36 (“*Securitisation Regulation Rules*”), and the information in this 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 Requirements, or that the structure of the Notes, Commonwealth Bank of Australia (including its holding of the EU Retention and its holding of the UK Retention) and the transactions described in this Information Memorandum are or will be compliant with the EU Securitisation Regulation Rules or the UK Securitisation Regulation Rules or with any other applicable, legal, regulatory or other requirements, (ii) has any liability to any prospective investor, Noteholder or any other person for any deficiency in or insufficiency of such information or any failure of the transactions or structure contemplated in this Information Memorandum to comply with or otherwise satisfy the requirements of the EU Securitisation Regulation Rules, the UK Securitisation Regulation Rules, 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 in Section 3.36 (“*Securitisation Regulation Rules*”)), 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 in Section 3.36 (“*Securitisation Regulation Rules*”)).



See Section 3.36 (“*Securitisation Regulation Rules*”) for further details.

### **1.15 Japanese Due Diligence and Retention Rules**

On 15 March 2019 the Japanese Financial Services Agency published new due diligence and risk retention rules under various Financial Services Agency Notices in respect of Japanese banks and certain other Japanese financial institutions (“**Japanese Due Diligence and Retention Rules**”), which took effect from 31 March 2019.

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 where such non-securitised exposures would otherwise have been included in this securitisation transaction and provided that the number of potentially securitised exposures is not less than 100 at origination.

Prospective investors should make their own independent investigation and seek their own independent advice (i) as to the scope and applicability of the Japanese Due Diligence and Retention Rules; (ii) as to the sufficiency of the information described in this Information Memorandum and (iii) as to the compliance with the Japanese Due Diligence and Retention Rules in respect of the transactions contemplated by this Information Memorandum. None of the Trustee, Commonwealth Bank of Australia, the Manager 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 3.37 (“*Japanese Due Diligence and Retention Rules*”) for further details.

### **1.16 Notification under Section 309B(1)(c) of the Securities and Futures Act (2020 Revised Edition) of Singapore**

In connection with Section 309B of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Manager has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in 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).

### **1.17 Notice to investors in Singapore**

At no time shall the Notes be offered or sold, or caused to be made the subject of an invitation for subscription or purchase, nor shall this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes be circulated or distributed to any person in Singapore in any subsequent offer except to (I) an institutional investor (as defined in Section 4A of the SFA) or (II) 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.

### **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 EEA Retail Investor in the European Economic Area (“**EEA**”). For these purposes, an “**EEA Retail Investor**” means a person who is one (or more) of: (I) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MIFID II**”); (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 EU Qualified Investor. 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 any EEA Retail Investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any EEA Retail Investor in the EEA may be unlawful under the PRIIPS Regulation.

### **1.19 Prohibition of sales to UK 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 UK Retail Investor in the United Kingdom (“**UK**”). For these purposes, an “**UK Retail Investor**” means a person who is one (or more) of: (I) a retail client as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565 as it forms part of the domestic law of the UK by virtue of the EUWA and as amended; (II) a customer within the meaning of the provisions of 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 the domestic law of the UK by virtue of the EUWA and as amended; or (III) not a UK Qualified Investor. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (as amended, the “**UK PRIIPS Regulation**”) for offering or selling the Notes or otherwise making them available to any UK Retail Investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any UK Retail Investor in the UK may be unlawful under the UK PRIIPS Regulation.

### **1.20 Repo-eligibility**

The Manager intends to make an application to the Reserve Bank of Australia (“**RBA**”) for the Class A 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, amongst other things, that certain information be provided by the Manager to the RBA at the time of seeking repo-eligibility and during the term of the Class A Notes in order for the Class A Notes to be (and to continue to be) repo-eligible.

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

If the application for the Class A Notes to be repo eligible is successful, Noteholders should be aware that relevant disclosures may be made by the Manager to investors and potential investors in Class A Notes and the RBA 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).

### **1.21 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. Each credit rating should be evaluated independently of any other credit rating. 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.

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 Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

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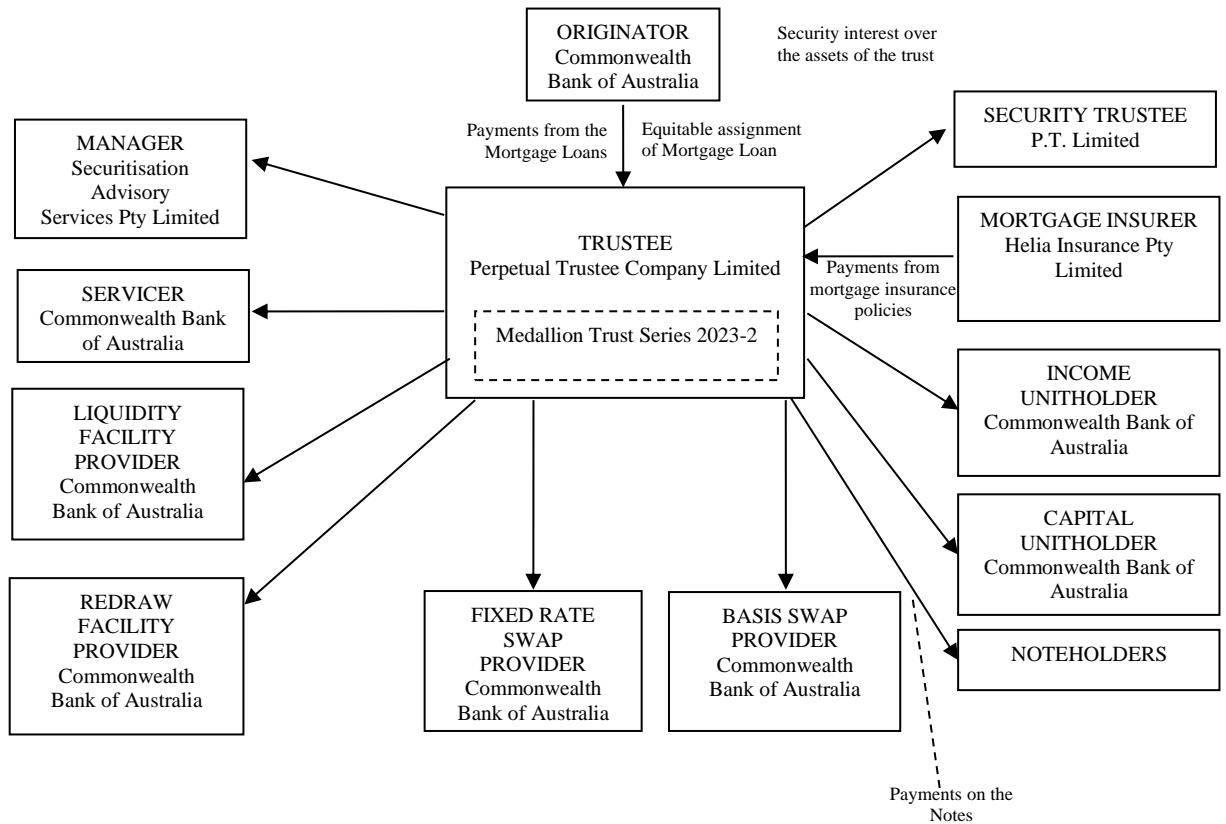
## 2 Summary

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

<b>Trustee:</b>	Perpetual Trustee Company Limited in its capacity as trustee of the Series Trust
<b>Manager:</b>	Securitisation Advisory Services Pty Limited, Level 1, 11 Harbour Street, Sydney, NSW 2000 Ph: +612 9118 7214
<b>Security Trustee:</b>	P.T. Limited in its capacity as trustee of the Security Trust
<b>Seller:</b>	Commonwealth Bank of Australia
<b>Servicer:</b>	Commonwealth Bank of Australia
<b>Income Unitholder:</b>	Commonwealth Bank of Australia
<b>Capital Unitholder:</b>	Commonwealth Bank of Australia
<b>Arranger</b>	Commonwealth Bank of Australia
<b>Lead Manager and Bookrunner:</b>	Commonwealth Bank of Australia
<b>Dealer:</b>	Commonwealth Bank of Australia
<b>Liquidity Facility Provider:</b>	Commonwealth Bank of Australia
<b>Redraw Facility Provider:</b>	Commonwealth Bank of Australia
<b>Mortgage Insurer:</b>	Helia Insurance Pty Limited
<b>Fixed Rate Swap Provider:</b>	Commonwealth Bank of Australia
<b>Basis Swap Provider:</b>	Commonwealth Bank of Australia
<b>Rating Agencies:</b>	S&P Global Ratings Australia Pty Ltd Fitch Australia Pty Ltd

## Structural Diagram



## 2.2 Summary of the Notes

The Trustee will issue Class A Notes and Class B 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 Notes will not be listed or admitted to trading on the Australian Securities Exchange or any other stock exchange.

	<b>Class A Notes</b>	<b>Class B Notes</b>
Initial Principal Balance	A\$1,840,000,000	A\$160,000,000
% of Total	92.0%	8.0%
Ratings:		
S&P Global Ratings Australia Pty Ltd	AAA(sf)	Not rated
Fitch Australia Pty Ltd	AAAsf	Not rated
Interest Rate	<p>Bank Bill Rate (1 month)* plus 1.05% (up to but excluding the Call Date)</p> <p>Bank Bill Rate (1 month) plus 1.05% + 0.25% (on and from the Call Date)</p> <p>* For the first Accrual Period, an interpolated rate between the Bank Bill Rate (2 months) and the Bank Bill Rate (3 months) will apply instead of the Bank Bill Rate (1 month).</p>	<p>Bank Bill Rate (1 month)* plus an undisclosed margin</p> <p>* For the first Accrual Period, an interpolated rate between the Bank Bill Rate (2 months) and the Bank Bill Rate (3 months) will apply instead of the Bank Bill Rate (1 month).</p>
Interest Accrual Method	actual/365 (fixed)	actual/365 (fixed)
Distribution Dates	19 <sup>th</sup> day of each calendar month (as adjusted in accordance with the Business Day Convention). The first Distribution Date is 19 January 2024.	19 <sup>th</sup> day of each calendar month (as adjusted in accordance with the Business Day Convention). The first Distribution Date is 19 January 2024.
Interest Payable	On each Distribution Date specified above	On each Distribution Date specified above
Clearance/Settlement	Austraclear/ Euroclear/Clearstream	Austraclear/ Euroclear/Clearstream
ISIN	AU3FN0082194	AU3FN0082202
Issue Date	10 November 2023	
Final Maturity Date	The Distribution Date occurring in January 2056	

## 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 A Notes and the Class B 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 will be enforceable if an Event of Default occurs under the Security Trust Deed. For further details see Section 10.6(a) (“*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 and principal payments**

The Class B Notes will always be subordinated to the Class A Notes in their rights to receive interest and principal payments.

(b) **Allocation of losses**

The Class B Notes will bear all losses on the Mortgage Loans before the Class A Notes.

The support provided by the Class B Notes is intended to enhance the likelihood that the Class A Notes 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:

<b>Class</b>	<b>Credit Support ("Credit Support Notes")</b>	<b>Initial Support Percentage</b>
Class A Notes	Class B Notes	8.00%
Class B Notes	Not applicable	0.00%

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.

(c) **Mortgage Insurance Policies**

A High LTV master mortgage insurance policy issued by Helia 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 Helia Insurance Pty Limited.

(d) **Excess Available Income**

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

- (i) Class A Note interest;
- (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 A Note interest 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 A Note interest 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 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 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 may, in its absolute discretion, repurchase the loan from the pool. In that case, the amount payable by Commonwealth Bank of Australia to the Trustee to repurchase the Mortgage Loan will be reduced by the amount of any further advances in respect of that Mortgage Loan which have not previously been reimbursed to Commonwealth Bank of Australia as described in the preceding paragraphs. See Sections 7 (“*Commonwealth Bank of Australia Residential Loan Program*”) and 8.15 (“*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 8.15 (“*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 8.19 (“*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 the Class A 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 Class A Noteholders. The Trustee may redeem any outstanding Class B Notes on the relevant Distribution Date at their Stated Amounts and without payment of any accrued but unpaid interest and no Extraordinary Resolution of the Class B Noteholders is required for this purpose. 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, in the case of the Class A Notes, 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 24 October 2023.

Number of Mortgage Loans (No.)	5,773
Mortgage Loan Pool Size (A\$)	1,999,999,730.50
Average Mortgage Loan Balance (A\$)	346,440.28
Maximum Mortgage Loan Balance (A\$)	1,987,520.08
Minimum Mortgage Loan Balance (A\$)	50,155.98
Total Security Valuations (A\$)	4,179,339,831
Maximum Remaining Term to Maturity (in Months)	358
Maximum Current Loan-to-Value Ratio (%)	93.74%
Weighted Average Seasoning (in Months)	46
Weighted Average Remaining Term to Maturity (in Months)	304
Weighted Average Original Loan-to-Value Ratio (%)	68.81%
Weighted Average Current Loan-to-Value Ratio (%)	59.41%
Weighted Average Mortgage Rate (%)	5.46%

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 general portfolio of eligible loans based on its selection criteria 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 A Aggregate 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 8.16(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 subordinated amounts owing under the Liquidity Facility Agreement or the Redraw Facility Agreement and any indemnity payments to the Dealer under the Dealer Agreement;
- (e) next, pay any Subordinated Termination Payments owing under the Interest Rate Swap Agreement; and
- (f) next, pay the Class B Aggregate Interest Amount in respect of the Class B Notes.

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 A Note interest)** the Class A Aggregate Interest Amount will be payable by the Trustee to the Class A Noteholders (pari passu and rateably); and
- (b) **(Class B Note interest)** the Class B Aggregate Interest Amount 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 A Notes.

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 A Note and Class B Note for an Accrual Period will be the Bank Bill Rate in respect of the relevant Accrual Period (determined as at the Interest Determination Date in respect of that Accrual Period) plus the applicable margin for that 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 to the Seller of any redraws and further advance remaining unreimbursed for which the Seller is entitled to be repaid, the Available Principal Amount will be applied between the Notes as follows:

- (a) **(Class A Note principal)** first, repayments of principal will be payable by the Trustee to the Class A Noteholders until the Invested Amount of the Class A Notes is reduced to zero; and
- (b) **(Class B Note principal)** next, if the Invested Amount of the Class A 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.

A principal repayment or allocation described under paragraph (b) 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.

On each Distribution Date, the Invested Amount 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 B Notes)** first, 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; and
- (b) **(Class A 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 A Notes until the Stated Amount of the Class A 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(j) (“*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.



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



Pari passu and rateably:

- pay to the Liquidity Facility Provider any other amounts owing under the Liquidity Facility Agreement;
- pay to the Redraw Facility Provider any other amounts owing under the Redraw Facility Agreement; and
- pay to the Dealer any indemnity amounts payable to the Dealer under the Dealer 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 Class B Noteholders (pari passu and rateably) the interest due on the Class B Notes for that Distribution Date together with any unpaid interest in relation to the Class B Notes for previous Distribution Dates (unless the Trustee, at the direction of the Manager, is to redeem the Class B Notes on that Distribution Date without paying accrued interest on the Class B Notes).



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 redraws and further 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.

+

### 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 rateably any redraws and further advances 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.



### **Class A Noteholders**

Repay pari passu and rateably to the Class A Noteholders principal on the Class A Notes until the Invested Amount of the Class A Notes is reduced to zero.



### **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.



### **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 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) 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 Tax).

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 A 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 A Notes.

The Class B Notes will not be offered in accordance with section 128F of the Australian Tax Act. Accordingly, interest paid on the Class B Notes may potentially be subject to Australian interest withholding tax, in the absence of another relevant exemption applying.

Under current tax law, tax will be deducted on payments to a holder of a Note 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*”).

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### **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(f) ("*Limitation of the Trustee's Liability*")).

#### **3.2 Secondary Market Risk**

The Dealer has undertaken to use reasonable endeavours, subject to market conditions, to assist 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 continue for the life of the Notes or be sufficiently liquid to allow Noteholders to resell any of the Notes readily or at the price that a Noteholder desires. The market value of the Notes is likely to fluctuate, which could result in significant losses to the Noteholders.

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.

In addition, over the past several years, major disruptions in the global financial markets have caused a significant reduction in liquidity in the secondary market for mortgage-backed securities. These disruptions have increased and are continuing as a result of the COVID-19 pandemic (as described further in Section 3.3 ("*Turbulence in Financial Markets and Economy*")) and Section 3.8 ("*The spread of COVID-19 may adversely affect investors in the Notes*")).

If illiquidity of investment increases for any reason, including as described above, it could adversely affect the market value of your Notes and/or limit your ability to resell your Notes.

#### **3.3 Turbulence in Financial Markets and Economy**

Market and economic conditions during the past several years (and particularly in 2020 through to 2023 as a result of the COVID-19 pandemic, discussed in Section 3.8 ("*The spread of COVID-19 may adversely affect investors in the Notes*")) below) 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), 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.

### 3.4 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 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 (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 8.19 (*“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) (see Section 11.1(i) (*“Product Changes”*)); or



- (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(c) (“*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;
- (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) 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.

### 3.5 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 A Aggregate Interest Amount 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.

### 3.6 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 10.10 ("*Mortgage Insurance*") and Section 10.8 ("*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 3.5 ("*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, 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.

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(d) ("*Servicing of the Mortgage Loans*")). In addition, some of the Mortgage Loans are as at the Cut-Off 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 3.16 (“*Mortgage Insurance*”) and Section 10.10 (“*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.

### **3.7 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.

For example, inflationary pressures are at high levels in Australia and as a result there have been several increases in interest rates in Australia over the past twelve months. The scale and pace of these interest rate rises has led to falls in property prices across various regions in Australia and may affect the ability of borrowers to make payments under Mortgage Loans and the amount recovered following enforcement of Mortgage Loans. These factors may in turn lead to losses on the Notes.

### **3.8 The spread of COVID-19 may adversely affect investors in the Notes**

The COVID-19 pandemic has led (and may continue to lead) to severe disruptions in the global supply chain, and in markets and economies around the world. For example, governments worldwide implemented measures to contain the spread of the virus including travel bans, quarantines, social distancing and restrictions on public gatherings and commercial activity. In Australia, this has limited economic activity, which has resulted in an increase in the rate of inflation and an economic recession and, while the Australian economy has showed signs of improvement, further economic contraction could occur as a result of the COVID-19 pandemic and associated measures. The full effect of the COVID-19 pandemic may not be realised until some time in the future.

Instability in Australian and international capital and credit markets, and economies generally arising from COVID-19 or future pandemics, may adversely affect the liquidity, performance and/or market value of mortgage loans and mortgage-backed securities, including the Mortgage Loans and Notes.

Furthermore, as a result of the measures described above, many organisations (including courts and federal and state agencies) transitioned or may in the future transition all or a substantial portion of their operations to remote working environments or may be in the process of returning all or a portion of their operations from remote working environments to primary work spaces. Accordingly, there may be disruptions in routine functions and processes (such as enforcement action) relevant to the servicing and administration of the Mortgage Loans, which may affect the Servicer’s ability to collect amounts owing in respect of the Mortgage Loans.

There could also be adverse implications for the financial position or credit ratings of support facility providers to the Series Trust or the Mortgage Insurer which in turn could affect the value and return of the Notes in the manner described above (see the sections entitled “Availability of support facilities dependent on financial condition of support facility provide” and “Mortgage insurance” in this Section 3 (“*Some Risk Factors*”)).

Various stimulus packages implemented by the Australian Government and the governments of the States and Territories of Australia to provide relief for consumers and businesses in direct or indirect financial difficulty as a result of COVID-19 generally have ceased. There can be no assurances that further stimulus packages or other relief measures in relation to COVID-19 will be provided in the future or that any government assistance, including support given directly to obligors in respect of the Mortgage Loans, to the Servicer or through the capital or credit markets will be sufficient to alleviate the risks outlined above.

The percentage of Mortgage Loans that are the subject of financial hardship arrangements may change from time to time as the COVID-19 pandemic continues to evolve and could increase due to factors such as those described above. No assurance can be given that a Mortgage Loan which is not currently the subject of financial hardship arrangements will not in the future become subject to such arrangements whether due to the COVID-19 pandemic or other factors.

### **3.9 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 and/or climate-related events (including, but not limited to, bushfires, cyclones, severe storms, floods, drought and rising sea levels), which may not be fully insured against and which may result in property damage and losses on the Mortgage Loans. The impact of any decrease in real estate values on the LVRs of the Mortgage Loans as a result of these events will vary depending on the type of property, the location of the property and the seasoning of 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.

### **3.10 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. Where the Mortgage Loan becomes subject to 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(i) (“*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.

### **3.11 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.

### **3.12 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 3.13 (“*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.

### **3.13 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.

### **3.14 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(j) (*"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.

### **3.15 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”*).

### **3.16 Mortgage Insurance**

A high LTV master mortgage insurance policy issued by Helia 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 10.10 (*“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 Helia 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 10.10 (*“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(h)(iii) (*“Servicing of the Mortgage Loans”*)).



### **3.17 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.

### **3.18 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.

### **3.19 Class B Notes provide only limited protection to the Class A Notes**

The amount of credit enhancement provided in respect of the Class A Notes through the subordination of the Class B Notes is limited and could be depleted prior to the payment in full of the Class A Notes. If the principal amount of the Class B Notes is reduced to zero, the Class A Noteholders may suffer losses on the Class A Notes. The Class B Notes do not have the benefit of any credit enhancement from other Notes.

### **3.20 Termination of Swaps**

The Trustee will exchange the interest payments from the fixed rate Mortgage Loans for variable rate payments based upon the Bank Bill Rate 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 the Trustee having insufficient funds to pay interest on the Notes. Further, if the Trustee elects (at the direction of the Manager) to enter into a new fixed rate swap to replace a terminated fixed rate swap, the Trustee may need to pay a premium to any replacement Fixed Rate Swap Provider, which may lead to the Trustee having insufficient funds to pay interest on the Notes.

The Trustee will exchange the interest payments from the variable rate Mortgage Loans for variable rate payments based upon the Bank Bill Rate 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 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 Notes other than the Class B 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 further advances (where the Seller is entitled to be reimbursed for those further advances) will rank ahead of the 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 further advances as described in Section 8.15 (“*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 A Aggregate Interest Amount, 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 an 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 the Class A 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 National Consumer Credit Protection Act and Unfair Terms**

#### *National Consumer Credit Protection Act*

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.

The majority 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 (other than the Credit Code);
- (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 gives 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;
- (f) reduce or cancel any interest rate, fee or charge payable on the Mortgage Loan 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) 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;

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

There is no ability to appeal from an adverse determination by AFCA, including, on the basis of bias, manifest error or want of jurisdiction.

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 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 external dispute resolution scheme) made under the NCCP Act may affect the timing or amount of interest, fees or charges or principal repayments under the relevant Mortgage Loans (which may in turn affect the timing or amount of interest or principal payments under the Notes).

### *Unfair Terms*

The Australian Securities and Investments Commission Act 2001 (Cth) (“**ASIC Act**”) contains a national unfair terms regime whereby a term in a standard-form consumer contract (renewed, varied or entered into from January 2011) 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) 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 term that is unfair will be void however, the contract will continue if it is capable of operating without the unfair term.

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. 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 fewer than 20 persons and the upfront price payable under the contract is:

- \$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 months,

although, as noted below, the test for determining whether a contract is a small business contract will change from November 2023.

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 principal repayments under the relevant Mortgage Loans which may in turn affect the timing or amount of interest and principal payments under the Notes.

On 27 October 2022, the Treasury Laws Amendment (More Competition, Better Prices) Bill 2022 passed Commonwealth Parliament to amend the national unfair terms regime to:

- expand the class of small business contracts to include a small business that employs fewer than 100 employees or has a turnover of less than \$10,000,000. The upfront price payable threshold requirement for contracts will continue to apply, but the amendments will increase the threshold to \$5,000,000;
- 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
- introduce more flexible remedies to allow courts to order additional remedies including further injunctive powers once a term has been declared unfair.

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

### **3.29 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.

### **3.30 Australian Anti-Money Laundering and Counter-Terrorism Financing Regime**

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.

The AML/CTF Act regulates the provision of “designated services” by a reporting entity. The designated services listed in the AML/CTF Act include (among other things):

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

If an entity provides a designated service it must comply with the obligations contained in the AML/CTF Act. These obligations will include (among other things), enrolment with AUSTRAC, maintaining an adequate AML/CTF Program, undertaking customer identification procedures as outlined in the reporting entity’s AML/CTF Program before a designated service is provided and conducting ongoing due diligence and monitoring in relation to those customers, reporting international funds transfer instructions if the reporting entity is the sender or recipient of an international funds transfer, and maintaining records in accordance with Part 10 of the AML/CTF Act.

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.

### **3.31 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 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.

### **3.32 Application of the Personal Property Securities regime**

A national personal property securities regime commenced operation throughout Australia on 30 January 2012 pursuant to the Personal Property Securities Act 2009 (“PPSA”). The PPSA has 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 security granted by the Trustee under the Security Trust Deed is a security interest under the PPSA. The Manager intends to effect registrations of this security interest by way of a registration on the Personal Property Securities Register. The Transaction Documents may also contain other security interests.

The Manager has undertaken in the Series Supplement that if it determines that any other such security interests arise and that failure to perfect those security interests could have material adverse effect upon Secured Creditors that it will give directions to the Trustee and the Security Trustee to take appropriate action to perfect such security interests under the PPSA.

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.

There is uncertainty on aspects of the PPSA regime because the PPSA significantly alters the law relating to secured transactions. There are issues and ambiguities in respect of which a market view or practice will evolve over time.

### **3.33 Withholding tax**

If an Australian interest 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 A 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 Class B Notes will not be offered in a manner which satisfies the exemption from Australian interest withholding tax contained in section 128F of the Australian Tax Act. Accordingly, Australian interest withholding tax would apply in relation to payments of interest (or payments in the nature of interest) on any such Class B Notes which are held by a non-resident of Australia (other than a non-resident holding those Class B Notes in carrying on business at or through a permanent establishment in Australia) or a resident holding those Class B Notes in carrying on business at or through a permanent establishment outside Australia, in the absence of another relevant exemption applying.

### **3.34 U.S. Foreign Account Tax Compliance Act**

The Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (“**FATCA**”) establish a due diligence, reporting and withholding regime. The purpose of FATCA is to detect U.S. taxpayers who use non-U.S. financial accounts with “foreign financial institutions” (“**FFIs**”) to conceal income and assets from the U.S. Internal Revenue Service (“**IRS**”).

### ***FATCA withholding***

Under FATCA, a 30% withholding may be imposed (i) in respect of certain payments of 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 (“**FATCA Withholding**”).

A FATCA Withholding may be required if (i) an investor does not provide information sufficient for the Trustee or the relevant financial institution through which payments on the Notes are made to determine whether the investor is subject to FATCA Withholding or (ii) an FFI to or through which payments on the Notes are made is a “non-participating FFI”.

FATCA Withholding is not expected to apply if the Notes are treated as debt for U.S. federal income tax purposes and the payment is made under a grandfathered obligation, generally being any obligation 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.

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.

### ***Australian IGA***

Australia and the United States signed an intergovernmental agreement with respect to FATCA (“**Australian IGA**”) on 28 April 2014. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act to give effect to the Australian IGA (“**Australian IGA Legislation**”).

Australian financial institutions which are Reporting Australian Financial Institutions under the Australian IGA must comply with specific due diligence procedures. In general, these procedures seek to identify their account holders (e.g. the Noteholders) and provide the Australian Taxation Office (“**ATO**”) with information on financial accounts (for example, the Notes) held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the IRS. Consequently, Noteholders may be requested to provide certain information and certifications to the Series Trust, the Trustee and to any other financial institutions through which payments on the Notes are made in order for the Trustee and such other financial institutions to comply with their FATCA obligations.

A Reporting Australian Financial Institution (which may include the Series Trust) that complies with its obligations under the Australian IGA will not generally be subject to FATCA Withholding on amounts it receives, and will not generally be required to deduct FATCA Withholding from payments it makes with respect to the Notes, other than in certain prescribed circumstances.

To the extent amounts paid to or from the Series Trust are subject to FATCA Withholding, it could reduce the amounts available to the Trustee to make payments to the Noteholders and there will be no “gross up” (or any additional amount) payable by way of compensation to any Noteholders for the deducted or withheld amount.

The Trustee (at the direction of the Manager) may determine that the Series Trust should or must comply with certain obligations as a result of the Australian IGA. As such, Noteholders may be requested to provide information or tax documentation that the Trustee (at the direction of the Manager) and determines are necessary to comply with FATCA, the Australian IGA or the Australian IGA Legislation. The Trustee’s ability to satisfy such obligations may depend on

each Noteholder providing, or causing to be provided, any information and tax documentation, including information concerning the direct or indirect owners of such Noteholder, that the Trustee (at the direction of the Manager) determines are necessary to satisfy such obligations.

Each Noteholder should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its particular circumstance.

### 3.35 **Ipso Facto Moratorium**

The Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017 (Cth) (“**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 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);
- the appointment of an administrator; or
- the appointment of a restructuring practitioner in respect of a company which has liabilities of less than \$1 million (from January 2021).

The ipso facto reform imposes a stay or moratorium on the enforcement of certain contractual rights while the company is subject to the Applicable Procedure (the “**stay**”) or in other specified circumstances.

In summary:

- *Appointment Trigger:* Any right which triggers for the reason of any of the Applicable Procedures 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 subject to any of the Applicable Procedures.
- *Anti-Avoidance:* The Corporations Act (as amended by the TLA Act) contains very broad anti-avoidance provisions. For example:
  - (i) The Corporations Act (as amended by the TLA Act) deems that any contractual provision which is “*in substance contrary to*” the stay will also be unenforceable.
  - (ii) Any self-executing provision which is expressed to automatically trigger rights otherwise subject to the stay is unenforceable.

The length of the stay depends on the Applicable Procedure and the type of stay concerned. Generally, the stay would end once the Applicable Procedure has ended, unless extended by the court. The stay may also end later in certain circumstances specified under the relevant provisions for each Applicable Procedure.

The ipso facto reform applies to contracts, agreements or arrangements entered into on or after 1 July 2018 and also to pre-1 July 2018 contracts, agreements or arrangements that are novated or varied on or after 1 July 2023.

The Corporations Act (as amended by the TLA Act) provides that contracts, agreements or arrangements prescribed in regulations (“**Regulations**”) or rights specified in ministerial declarations are not subject to the stay. The Regulations prescribe, amongst other things, 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.

However, 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.

See Section 12 (“*Taxation Considerations*”) for further details.

### 3.36 Securitisation Regulation Rules

The EU Securitisation Regulation is directly applicable in member states of the EU and will be applicable in any non-EU states of the EEA in which it has been implemented. 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).

With respect to the United Kingdom, the UK Securitisation Regulation Rules impose certain restrictions and obligations with regard to securitisations (as such term is defined for the purposes of the UK Securitisation Regulation).

#### *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 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, 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 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, 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.

### ***UK Investor Requirements***

Article 5 of the UK Securitisation Regulation places certain conditions (the “**UK Investor Requirements**”, and together with the EU Investor Requirements, the “**Investor Requirements**”) on investments in securitisations (as defined in the UK Securitisation Regulation) by “institutional investors”, defined in the UK Securitisation Regulation to include: (a) an insurance undertaking as defined in section 417(1) of the Financial Services and Markets Act 2000 (as amended, “**FSMA**”); (b) a reinsurance undertaking as defined in section 417(1) of FSMA; (c) an occupational pension scheme as defined in section 1(1) of the Pension Schemes Act 1993 that has its main administration in the UK, 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 which markets or manages AIFs (as defined in regulation 3 of those Regulations) in the UK; (e) a management company as defined in section 237(2) of FSMA; (f) 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; (g) a CRR firm as defined by Article 4(1)(2A) of Regulation (EU) No 575/2013, as it forms part of UK domestic law by virtue of the EUWA and as amended (the “**UK CRR**”); and (h) an FCA investment firm as defined by Article 4(1)(2AB) of the UK CRR. The UK Investor Requirements 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 Investor Requirements apply to investments by UK Affected Investors regardless of whether any party to the relevant securitisation is subject to any UK Transaction Requirement.

The UK Investor Requirements provide that, prior to investing in (or otherwise holding an exposure to) a "securitisation position" (as defined in the UK Securitisation Regulation), a UK Affected Investor, other than the originator, sponsor or original lender (each as defined in the UK Securitisation Regulation) must, among other things: (a) verify that, where the originator or original lender is established in a third country (that is, not in the UK), 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 in the UK), 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 UK Securitisation Regulation, and discloses the risk retention to UK Affected Investors, (c) verify that, if the originator, sponsor or SSPE is established in a third country (that is, not in the UK), the originator, sponsor or SSPE has, where applicable, made available information which is substantially the same as that which it would have made available under Article 7 of the UK Securitisation Regulation (which sets out transparency requirements for originators, sponsors and SSPEs) if it had been established in the UK and has done so with such frequency and modalities as are substantially the same as those with which it would have made information available in accordance with that Article if it had been established in the UK, and (d) carry out a due-diligence assessment in accordance with the UK Securitisation Regulation Rules which enables the UK 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 UK Investor Requirements oblige each UK 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.

The UK Securitisation Regulation largely mirrors (with some adjustments) the EU Securitisation Regulation as it applied in the EU at the end of 2020. The UK Securitisation Regulation regime is currently subject to a review. HM Treasury issued a report on this review in December 2021 outlining a number of areas where legislative changes may be introduced in due course. The legislative reforms affecting the UK Securitisation Regulation regime are being introduced under the Financial Services and Markets Act 2023 which received Royal Assent on 29 June 2023 and the “Edinburgh Reforms” of UK financial services unveiled on 9 December 2022. In July 2023, HM Treasury published a near-final version of a draft statutory instrument for final checks and technical comment. The timing and all of the details for the implementation of securitisation-specific reforms are not yet known, but these are expected to become clearer in the course of 2023 to 2024. Therefore, some divergence between EU and UK regimes exists

already and the risk of more divergence in the future between EU and UK regimes cannot be ruled out.

Prospective investors that are UK Affected Investors should note the differences in the wording of the EU Investor Requirements and the UK Investor Requirements as each relates to the verification of certain transparency requirements. Article 5(1)(f) of the UK Securitisation Regulation requires any UK Affected Investor to verify that "the originator, sponsor or SSPE has, where applicable: (i) made available information which is substantially the same as that which it would have made available in accordance with point (e) if it had been established in the UK; and (ii) has done so with such frequency and modalities as are substantially the same as those with which it would have made information available in accordance with point (e) if it had been so established". There remains considerable uncertainty as to how UK Affected Investors should ensure compliance with the UK Investor Requirements. This includes uncertainty as to the extent (if any) to which, in the absence of any information being made available specifically for purposes of, or in connection with, any requirement of the UK Securitisation Regulation Rules (as noted below), any information to be provided by Commonwealth Bank of Australia with regard to Article 7 of the EU Securitisation Regulation and the EU Disclosure Technical Standards (as described under "EU Disclosure" below) could be determined to be "substantially the same" within the meaning of Article 5(1)(f) of the UK Securitisation Regulation, delivered with the frequency and modality required by Article 5(1)(f), and otherwise sufficient to satisfy the relevant elements of the UK Investor Requirements, and also what view the relevant UK regulator of any UK Affected Investor might take as regards such matters. In the UK, the UK regulators are yet to publicly clarify the parameters for satisfying the "substantially the same as" test for the purposes of the UK Investor Requirements.

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 Information Memorandum (i) intends to take any action specifically for purposes of, or in connection with, any requirement of Article 7 of the UK Securitisation Regulation, 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 Regulation Rules; and (b) except as expressly described in this Information Memorandum with regard to the UK Retention and the UK Credit-Granting Requirements (as each such term is defined below), neither Commonwealth Bank of Australia nor any other party to the securitisation transaction described in this 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 Regulation Rules, or to take any other action for purposes of, or in connection with, facilitating or enabling compliance by any person with any applicable UK Investor Requirements, or (ii) gives, or intends to give, any undertaking, representation or warranty with regard to any requirement of the UK Securitisation Regulation Rules.

If any UK Affected Investor fails to comply with the UK Investor Requirements with respect to an investment in the Notes 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. The UK 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 a UK Affected Investor and have an adverse impact on the value and liquidity of the Notes.

## ***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).

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**”);
- (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; 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**”).

The EU Securitisation Regulation provides for certain aspects of the EU Transaction Requirements to be further specified in regulatory technical standards and implementing technical standards to be adopted by the European Commission as delegated regulations. In respect of Article 6 of the EU Securitisation Regulation, the EBA has published final draft regulatory technical standards dated 1 April 2022 which were adopted (with some amendments) on 7 July 2023 by the European Commission (the “**Draft Recast Retention RTS of July 2023**”). The Draft Recast Retention RTS of July 2023 will be subject to scrutiny by the European Parliament and Council before the finalised text of the regulatory technical standards can be published in the Official Journal of the European Union and enter into force at some point in late 2023 or early 2024. Pursuant to Article 43(7) of the EU Securitisation Regulation, until these regulatory technical standards apply, certain provisions of Commission Delegated Regulation (EU) No. 625/2014 continue to apply in respect of the EU Retention Requirement. In respect of Article 7 of the EU Securitisation Regulation, the relevant technical standards are comprised in Commission Delegated Regulation (EU) 2020/1224 and Commission Implementing Regulation (EU) 2020/1225 (together, the “**EU Disclosure Technical Standards**”). The EU Disclosure Technical Standards make provision as to (amongst other things) the data to be made available, and the format in which information must be presented, for purposes of satisfying the EU Transparency Requirements. However, there still remains some uncertainty at the current time as to, amongst other things, how some of the fields in the reporting templates prescribed by the EU Disclosure Technical Standards should be completed.

On 10 October 2022, the European Commission published its report to the European Parliament and the Council on the Functioning of the Securitisation Regulation (COM(2022) 517) (the “**Securitisation Regulation Report**”) in which it expressed its views on (amongst other things) the jurisdictional scope of application of the EU Investor Requirements in the context of a non-



EU securitisation. In particular, the Securitisation Regulation Report provides guidance on the interpretation of Article 5(1)(e) of the EU Securitisation Regulation (which, as noted above, requires that EU Affected Investors verify, prior to holding a securitisation position, that the originator, sponsor or SSPE has, where applicable, made available the information required by Article 7 of the EU Securitisation Regulation) in respect of scenarios where none of the originator, sponsor or SSPE are located in the EU. In the Securitisation Regulation Report, the European Commission considers that differentiating the scope of information required for the purposes of the EU Investor Requirements based on whether a securitisation is issued by originators, original lenders, sponsors and SSPEs supervised or established in the EU, or entities based in third countries, is not in line with the legislative intent and, as such, that the jurisdiction of the originator, sponsor or SSPE should not affect the interpretation of Article 5(1)(e) of the EU Securitisation Regulation. It is unclear whether any amendments to the EU Securitisation Regulation which reflect this interpretative guidance will be adopted. In addition, the European Commission invited the European Securities and Markets Authority to draw up a dedicated template for private securitisations, with a view (amongst other things) to making it easier for third country parties to provide the required information for the purposes of the EU Investor Requirements. The content of such new reporting templates and the timing of when (if at all) they will be introduced and become applicable is unclear at this stage.

The EU Securitisation Regulation Rules provide 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. See Section 4.2 (“*The Seller*”) and Section 7 (“*Commonwealth Bank of Australia Residential Loan Program*”) in this Information Memorandum for information regarding Commonwealth Bank of Australia, its business and activities.

The UK Securitisation Regulation imposes certain requirements (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 Regulation).

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

- (a) a requirement under Article 6 of the UK 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 “**UK Retention Requirement**”);
- (b) a requirement under Article 7 of the UK Securitisation Regulation that the originator, sponsor and SSPE of a securitisation make available to holders of a securitisation position, the competent authority and (upon request) potential investors certain prescribed information (the “**UK Transparency Requirements**”) prior to pricing as well as in quarterly portfolio level disclosure reports and quarterly investor reports; and
- (c) a requirement under Article 9 of the UK 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 “**UK Credit-Granting Requirements**”).

The UK Securitisation Regulation provides for certain aspects of the UK Transaction Requirements to be further specified in technical standards to be adopted by the PRA and/or the FCA. In respect of Article 6 of the UK Securitisation Regulation, the UK Securitisation Regulation provides for certain aspects of the UK Retention Requirement to be further specified in technical standards to be made by the FCA and the PRA, acting jointly. Until any such standards apply (or other applicable rules are enacted in the UK), certain provisions of Commission Delegated Regulation (EU) No. 625/2014, as they form part of the domestic law of the UK pursuant to the EUWA, continue to apply. In respect of Article 7 of the UK Securitisation Regulation, the EU Disclosure Technical Standards, as they form part of the domestic law of the UK pursuant to the EUWA and as amended by the Technical Standards (Specifying the Information and the Details of the Securitisation to be made Available by the Originator, Sponsor and SSPE) (EU Exit) Instrument 2020, apply, subject to certain transitional provisions. However, there still remains some uncertainty at the current time as to, amongst other things, how some of the fields in the reporting templates prescribed by such technical standards should be completed.

The UK Securitisation Regulation Rules provide that an entity shall not be considered an “originator” (as defined for purposes of the UK Securitisation Regulation) if it has been established or operates for the sole purpose of securitising exposures. See Section 4.2 (“*The Seller*”) and Section 7 (“*Commonwealth Bank of Australia Residential Loan Program*”) in this Information Memorandum for information regarding Commonwealth Bank of Australia, its business and activities.

#### ***EU Risk Retention and UK Risk Retention***

The EU Securitisation Regulation is silent as to the jurisdictional scope of the EU Retention Requirement and consequently, whether, for example, it imposes a direct obligation upon non-EU established entities such as Commonwealth Bank of Australia. However (i) the explanatory memorandum to the original European Commission proposal for legislation that was ultimately enacted as the EU Securitisation Regulation stated that “The current proposal thus imposes a direct risk retention requirement and a reporting obligation on the originator, sponsor or the original lenders...For securitisations notably in situations where the originator, sponsor nor original lender is not established in the EU the indirect approach will continue to fully apply.”; and (ii) the EBA, in a paper published on 31 July 2018 in relation to draft regulatory technical standards then proposed to be made pursuant to Article 6 of the EU Securitisation Regulation, said: “The EBA agrees however that a ‘direct’ obligation should apply only to originators, sponsors and original lenders established in the EU as suggested by the European Commission in the explanatory memorandum”. This interpretation (the “**EBA Guidance Interpretation**”) is, however, non-binding and not legally enforceable. Notwithstanding the above, Commonwealth Bank of Australia as “originator”, will agree to retain a material net economic interest in the securitisation transaction described in this Information Memorandum in accordance with Article 6(1) of the EU Securitisation Regulation, as in effect on the Closing Date, as described below and in this Information Memorandum. In its Securitisation Regulation Report, the European Commission stated that compliance with the EU Retention Requirement was met effectively through the EU Affected Investor’s due diligence obligations imposed by Article 5 of the EU Securitisation Regulation. In accordance with those obligations, EU Affected Investors must verify that the sell-side parties of the transaction, irrespective of their location, comply with the respective obligations under the EU Securitisation Regulation before investing in the securitisation.

The UK Securitisation Regulation is also silent as to the jurisdictional scope of the UK Retention Requirement and consequently, whether, for example, it imposes a direct obligation upon non-UK established entities such as Commonwealth Bank of Australia. The wording of the UK Securitisation Regulation with regard to the UK Retention Requirement is similar to that in the EU Securitisation Regulation with regard to the EU Retention Requirement, and the

EBA Guidance Interpretation may be indicative of the position likely to be taken by the UK regulators in the future in this respect. However, the EBA Guidance Interpretation is non-binding and not legally enforceable, and the FCA and the PRA have not, at the date of this Information Memorandum, published or released any guidance or interpretation as to the jurisdictional scope of the direct risk retention obligation provided under the UK Securitisation Regulation. Notwithstanding the above, Commonwealth Bank of Australia as “originator”, will agree to retain a material net economic interest in the securitisation transaction described in this Information Memorandum in accordance with Article 6(1) of the UK Securitisation Regulation, as in effect on the Closing Date, as described below and in this Information Memorandum.

On the Closing Date and thereafter on an ongoing basis and 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 in favour of the Trustee and the Dealer to retain the EU Retention in accordance with Article 6(1) of the EU Securitisation Regulation (as in effect on the Closing Date). As at the Closing Date, the EU Retention will be comprised of an interest in 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 and provided that the number of potentially securitised exposures is not less than 100 at origination) in accordance with Article 6(3)(c) of the EU Securitisation Regulation

On the Closing Date and thereafter on an ongoing basis and 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 UK Securitisation Regulation undertake in favour of the Trustee and the Dealer to retain the UK Retention in accordance with Article 6(1) of the UK Securitisation Regulation (as in effect on the Closing Date). As at the Closing Date, such interest will be comprised of an interest in 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 and provided that the number of potentially securitised exposures is not less than 100 at origination) 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 Closing 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 Dealer 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 Closing 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 Information Memorandum. The documentation referred to in this sub-paragraph (ii) will be made available before pricing of the 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:

- (i) in relation to the provision of any loan level data to a Noteholder or a potential investor under sub-paragraph (a)(i) that person has agreed to confidentiality arrangements with respect to such information on terms acceptable to Commonwealth Bank of Australia; and
- (ii) 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 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***

Although Commonwealth Bank of Australia believes that it is not subject to the EU Credit-Granting Requirements or the UK Credit Granting Requirements, Commonwealth Bank of Australia will also represent in favour of the Trustee and the Dealer on the Closing Date, that it has granted all the credits giving rise to the Mortgage Loans to be acquired by the Trustee on the basis of sound and well-defined criteria and clearly established processes for approving and, where relevant, amending, renewing and financing those credits and 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.

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*”).

### ***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 Information Memorandum (i) intends to take any action specifically for purposes of, or in connection with, any requirement of Article 7 of the UK Securitisation Regulation, or (ii) otherwise intends to make any information available to any person specifically for purposes of, or in connection with, any requirement of the UK Securitisation Regulation Rules, and (b) except as expressly described in this Information Memorandum with regard to the UK Retention and the UK Credit-Granting Requirements, neither Commonwealth Bank of Australia nor any other party to the securitisation transaction described in this 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 Regulation Rules, 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 Investor Requirements, or (ii) gives, or intends to give, any undertaking, representation or warranty with regard to any requirement of the UK Securitisation Regulation Rules. Accordingly, UK Affected Investors should carefully assess, and, where relevant, consult with their own legal, accounting and other adviser and/or any other relevant regulator or other authority as to whether the undertakings by Commonwealth Bank of Australia described in this Information Memorandum and the information described in this Information Memorandum and otherwise available to UK Affected Investors is or will be sufficient for the purpose of complying with the UK Investor Requirements.

In addition, except as described in this Information Memorandum, no party to the securitisation transaction described in this 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 Regulation Rules (and any implementing rules in relation to any relevant jurisdiction); (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 Information Memorandum generally, and the information in this 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 or the UK Investor Requirements and any corresponding national measures which may be relevant; (iii) as to their compliance generally with any applicable Investor Requirements; and (iv) 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 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 Information Memorandum are compliant

with the EU Securitisation Regulation Rules or the UK Securitisation Regulation Rules 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 Information Memorandum to comply with or otherwise satisfy the requirements of the EU Securitisation Regulation Rules, the UK Securitisation Regulation Rules, 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 Regulation Rules.

### 3.37 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 depository 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.

Commonwealth Bank of Australia, as originator, will retain a 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 where such non-securitised exposures would otherwise have been included in this securitisation transaction and provided that the number of potentially securitised exposures is not less than 100 at origination.

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; (ii) the sufficiency of the information described in this Information Memorandum and which may otherwise be made available to investors and (iii) their compliance with the Japanese Due Diligence and Retention Rules. 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 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.

### **3.38 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 Notes regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

In particular investors should be aware of the EU Securitisation Regulation Rules and the UK Securitisation Regulation Rules (each as described in Section 3.36 (“*Securitisation Regulation Rules*”)) and the Japanese Due Diligence and Retention Rules (as described in Section 3.37 (“*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 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 Notes for investment.

### **3.39 Risks relating to BBSW and other benchmarks**

Interest rate benchmarks (such as 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 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 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 Benchmark (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 Notes.

Investors should be aware that the 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 incorporates fallback provisions for the 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 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 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 Notes, it may be difficult for investors in the 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 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.

Prospective investors should be aware that the market is still developing in relation to AONIA as a reference rate in the capital markets. It is not possible to predict what effect the application of AONIA (or any other alternate benchmark rate in respect of the Notes) in determining the interest on the Notes may have on the price, value or liquidity of the Notes.

In addition, investors should be aware that, in addition to being used for interest calculations, a rate based on BBSW is also used to determine other payment obligations such as floating amounts payable by each swap provider, interest payable under the Redraw Facility and under the Liquidity Facility, and, while the Liquidity Facility Agreement and Redraw Facility Agreement incorporate similar fallback methodology in respect of the Liquidity Facility and Redraw Facility interest (as applicable), the fallback rates for these payments may not be the same as the fallback rate for payments of interest on the Notes. Any such mismatch may lead to shortfalls in cash flows necessary to support payments on the Notes.

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 8.10(c) (“*Benchmark Replacement*”). See Section 8.10 (“*Interest on the 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 Notes.

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## **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 2023, Commonwealth Bank of Australia had a long term credit rating of A+ (stable outlook) from Fitch Ratings, Aa3 (stable outlook) from Moody's Investors Service and AA- (stable outlook) from S&P Global Ratings and a short term credit rating of F1 from Fitch Ratings, P-1 from Moody's Investors Service and A-1+ from S&P Global Ratings.

As at 30 June 2023, Commonwealth Bank of Australia and its subsidiaries, on a consolidated International Financial Reporting Standards basis, had total assets of A\$1,252.8 billion, total deposits and other public borrowings of A\$865 billion and made a net profit attributable to equity holders of the Bank for the full year ended 30 June 2023 of A\$10,090 million. Total regulatory capital under Basel III was A\$93.8 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](http://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 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 custodial and administrative arrangements to the funds management, superannuation, property, infrastructure and capital markets.

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## 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.

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## 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 Helia 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 A Notes and the Class B Notes issued on that day.

### 6.2 The Mortgage Loans

The initial Mortgage Loan pool consists of 5,773 Mortgage Loans that have an aggregate principal balance outstanding of approximately A\$1,999,999,730.50, in each case as of 24 October 2023.

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, 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 National 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\$2,000,000;
  - (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 the last day of 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, by the earlier of (i) the date that is 2 Business Days after the expiry of such remedy period, and (ii) the expiry of the Prescribed Period pay to the Trustee (or procure payment to the Trustee of) 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 manner 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 16 ("*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 24 October 2023. 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, including as a result of prepayments and redemptions.

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## **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](http://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 account conduct of the existing loan either via statement or Comprehensive Credit Reporting (CCR) 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 or provided digitally 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. 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, 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, No Fee Variable Rate 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, Rate Saver and No Fee Variable Rate 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” 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.

## **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. 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. 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(i) (“*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 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 his or her 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.

**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.

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## **8 Description of the Notes**

### **8.1 General**

The Trustee will issue the Class A Notes and the Class B 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.

### **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 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;
- (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 BNP Paribas Securities Services, Sydney Branch as custodian for Clearstream, Luxembourg. The rights of a holder of interests in Notes held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominees and the rules and regulations of the Austraclear System. In addition, any transfer of interests in the Notes which are held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the other 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 Refinitiv);
- (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.

<b>Accrual Period</b>	<p>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:</p> <ul style="list-style-type: none"> <li>(a) first: the period from and including the Issue Date of the relevant Notes to but excluding the first Distribution Date; and</li> <li>(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).</li> </ul>
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<b>Collection Period</b>	<p>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 2023.</p>
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- Determination Date**
- (a) subject to paragraph (b), the first day of each calendar month (as adjusted in accordance with the Business Day Convention); and
  - (b) if a Permanent Discontinuation Trigger occurs in respect of the Bank Bill Rate, the day which is 5 Business Days prior to each Distribution Date occurring after the end of the calendar month in which the applicable Permanent Fallback Effective Date occurs.

The first Determination Date is 2 January 2024.

**Distribution Date** The 19<sup>th</sup> day of each calendar month, as adjusted in accordance with the Business Day Convention. The first Distribution Date is 19 January 2024.

### Example Calendar

The below example assumes all days are Business Days and that no Permanent Discontinuation Trigger has occurred in respect of the Bank Bill Rate.

Collection Period	8 November 2023 to 31 December 2023
Accrual Period	10 November 2023 to 18 January 2024
Determination Date	2 January 2024
Distribution Date	19 January 2024
Collection Period	1 January 2024 to 31 January 2024
Accrual Period	19 January 2024 to 18 February 2024
Determination Date	1 February 2024
Distribution Date	19 February 2024
Collection Period	1 February 2024 to 29 February 2024
Accrual Period	19 February 2024 to 18 March 2024
Determination Date	1 March 2024
Distribution Date	19 March 2024

## 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 the relevant Distribution Date;
- (d) any net amounts receivable by the Trustee under any Interest Rate Swap Agreement on the relevant 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 relevant 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(i) (“*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 8.19 (“*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 2 Business Days after receipt;
- (vi) income earned on Authorised Short-Term Investments (other than any Authorised Short-Term Investments purchased with any Interest Rate Swap Provider Deposit or other collateral (or proceeds thereof) posted in accordance with the Interest Rate Swap Agreement);
- (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 the relevant Distribution Date in order to meet a Gross Income Shortfall; and
- (h) any advance under the Liquidity Facility Agreement due to be made on the relevant 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 the aggregate of the amounts payable by the Trustee in accordance with Sections 8.9(a) to

8.9(l) (“*Payment of the Available Income Amount on a Distribution Date*”) (inclusive) for 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(e) (“*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(j) (“*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, unless previously paid during the relevant Financial Year, 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, to the Class A Noteholders, the Class A Aggregate Interest Amount for that Distribution Date;
- (m) next, to reimburse any unreimbursed Principal Draws for the immediately preceding Determination Date as an allocation to the Available Principal Amount on that Distribution Date;
- (n) 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;
- (o) 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;
- (p) next, in payment pari passu and rateably to:
  - (i) the Liquidity Facility Provider of any other amounts owing under the Liquidity Facility Agreement;
  - (ii) the Redraw Facility Provider of any other amounts owing under the Redraw Facility Agreement; and
  - (iii) the Dealer of any amounts payable to the Dealer under clause 9.2 ("*Indemnity by the Trustee*") of the Dealer Agreement;



- (q) 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;
- (r) next, in payment pari passu and rateably to the Class B Noteholders, the Class B Aggregate Interest Amount for that Distribution Date;
- (s) 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
- (t) 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 Call Date, the interest rate for the Class A Notes for each Accrual Period in respect of the Class A Notes will be equal to the Bank Bill Rate for that Accrual Period plus 1.05%. The interest rate for the Class A Notes for each Accrual Period commencing on or after the Call Date will be equal to the Bank Bill Rate for that Accrual Period plus 1.05% plus 0.25% (such margin, the “**Class A Stepped Up Margin**”). However, if for any Accrual Period, the applicable calculations would produce a rate of less than zero percent, the interest rate for the Class A Notes and that Accrual Period will be zero percent.

The interest rate for the Class B Notes for each Accrual Period will be equal to the Bank Bill Rate for that Accrual Period plus an undisclosed margin. The margin for the Class B Notes will not increase after the Call Date or at any other time. However, if for any Accrual Period, the applicable calculations would produce a rate of less than zero percent, the interest rate for the Class B Notes and that Accrual Period will be zero percent.

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 and related determinations**

The Manager must calculate the interest on each Note in respect of an Accrual Period on the Determination Date occurring during that Accrual Period in accordance with paragraph (a) above.

All determinations, decisions, calculations, settings and elections required in respect of interest on the Notes as described in this Section 8.10 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.

**(c) Benchmark replacement**

***Temporary Disruption Fallback***

Subject to the following paragraph, 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.

***Permanent Discontinuation Fallback***

If a Permanent Discontinuation Trigger occurs in respect of an Applicable Benchmark Rate, the rate for any 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.

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.

### ***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 the heading “*Permanent Discontinuation Fallback*” in this Section 8.10(c) (“**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 8.10(c).

This Section 8.10(c) applies notwithstanding any provision of the Series Supplement, the Master Trust Deed or the Security Trust Deed to the contrary.

### **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(i) (“*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 A Notes and the Class B 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*”); and
- (x) 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 redraws and further 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, in or towards repayment rateably to Commonwealth Bank of Australia of any redraws and further advances made by the Seller during or prior to the Collection Period just ended for which the Seller is entitled to be repaid as described in Section 8.15 (“*Redraws and Further Advances*”) and which are then outstanding;
- (d) (**Class A Notes**) next, to the Class A Noteholders in or towards repayment of principal in respect of the Class A Notes, pari passu and rateably amongst the Class A Notes until the Invested Amount of the Class A Notes is reduced to zero;
- (e) (**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; 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 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.

### **8.14 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.

### **8.15 Redraws and Further Advances**

Commonwealth Bank of Australia (as Seller) may make redraws and further advances to borrowers under the Mortgage Loans. Commonwealth Bank of Australia is entitled to be reimbursed by the Trustee for redraws and further advances in respect of a Mortgage Loan unless, and until such time as, Commonwealth Bank of Australia has elected to repurchase that Mortgage Loan as described in the following paragraph.

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 Mortgage Loan from the pool for an amount equal to the Fair Market Value of that Mortgage Loan at the time that payment is made (less any amounts paid by the Trustee or retained by the Seller as described in below in this Section 8.15 prior to that time in or towards reimbursement of that further advance). 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).

Commonwealth Bank of Australia shall not make any redraw or further advance in relation to a Mortgage Loan if the Servicer has determined, in accordance with the servicing standards, that the borrower is in default of its obligations under that Mortgage Loan.

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 redraws and further 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”*).

## **8.16 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 B Notes until the Stated Amount of the Class B Notes is reduced to zero; and
- (ii) next, once the Stated Amount of the Class B Notes has been reduced to zero, *pari passu* and rateably amongst the Class A Notes until the Stated Amount of the Class A 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 be 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 (m) 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 A Notes until the unreimbursed Principal Chargeoffs of the Class A Notes are reduced to zero; and
- (ii) next, *pari passu* and rateably amongst the Class B Notes until the unreimbursed Principal Chargeoffs of the Class B Notes are reduced to zero.

If a Principal Chargeoff is determined by the Manager 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.

#### **8.17 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*”).

#### **8.18 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 unless the Trustee for the Notes is required by applicable law to make such a withholding or deduction, or the withholding or deduction is made under or in connection with, or in order to ensure compliance with, FATCA. 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.

#### **8.19 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 the Class A Notes, redemption at the Stated Amount must be approved by an Extraordinary Resolution of the Class A Noteholders. The Trustee may, in exercising its option to redeem all of the Notes, redeem the then outstanding Class B Notes at their Stated Amounts, instead of their Invested Amounts, and without payment of any accrued but unpaid interest in respect of the Class B Notes (and, for the avoidance of doubt, no Extraordinary Resolution of the Class B Noteholders is required for this purpose). The Manager must give the Class B Noteholders at least 5 Business Days’ prior notice if the Trustee is to exercise its rights to redeem the Class B Notes on the relevant Distribution Date at their Stated Amount and without payment of accrued but unpaid interest.

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, in the case of the Class A Notes, 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.

#### **8.20 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.

### **8.21 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 2056. However, the Trustee may, at the direction of the Manager, redeem the Class B Notes on such date by paying only the Invested Amount and no amounts on account of accrued but unpaid interest. The Manager must give the Class B Noteholders at least 5 Business Days' prior notice if the Trustee is to exercise its rights to redeem the Class B Notes on such date without payment of accrued but unpaid interest (and for the avoidance of doubt, no Extraordinary Resolution of the Class B Noteholders is required for this purpose).

### **8.22 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.

### **8.23 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 8.19 ("*Optional Redemption of the Notes – on or after the Call Date*"), its Stated Amount.

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## 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 an amount equal to the Fair Market Value for all 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 all of 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 Fair Market Value for all 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.

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## 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(e) (*"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, in certain circumstances, Benchmark Amendments may be made to the Master Trust Deed or the Series Supplement as described in Section 8.10(c) (“*Benchmark Replacement*”).

### **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) **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.

(c) **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.

(d) **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.

(e) **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.

(f) **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.

(g) **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 National 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 (including calculating interest on the Notes), 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) **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.

(c) **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.

(d) **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.

(e) **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) The Charge

Under the Security Trust Deed, 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 (the “**Collateral**”) 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**”. The aggregate amount recoverable under the Security Trust Deed is limited to the value from time to time of the Collateral. 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(j) (“*Priorities under the Security Trust Deed*”)).

### (b) 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 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 A Notes remain outstanding, the Class A Noteholders; and
- (ii) if no Class A Notes remain outstanding but Class B Notes remain outstanding, the Class B Noteholders,

if, in the Security Trustee’s opinion, there is a conflict between the interests of Class A Noteholders and the Class B Noteholders or other persons entitled to the benefit of the security.

### (c) 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.

(d) **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 (other than that the occurrence of an Insolvency Event as a result of the Trustee stating that it is unable to pay its debts when they fall due) and the Trustee is not replaced as Trustee of the Series Trust within 60 days of the occurrence of the Insolvency Event;
- (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) any Senior Secured Moneys are not paid within 10 Business Days of when due; and
- (viii) 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.

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.

(e) **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.

(f) **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.

(g) **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.

(h) **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.

(i) **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.

(j) **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 Agreement;
  - B. the Redraw Facility Provider all of the Secured Moneys owing to the Redraw Facility Provider under the Redraw Facility Agreement; 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 A Noteholders all of the Secured Money owing in relation to the Class A Notes to be applied amongst them:
      - (aa) first, towards all interest accrued but unpaid on the Class A Notes at that time (to be distributed pari passu and rateably amongst the Class A Notes); and
      - (bb) next, in reduction of the Invested Amount in respect of the Class A Notes at that time (to be distributed pari passu and rateably amongst the Class A Notes); and
    - B. to pay to the Seller the amount of all then outstanding redraws and further advances which have not been repaid to the Seller in accordance with the Series Supplement;
  - (viii) 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);
  - (ix) 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;
  - (x) next, in or towards repayment to the Seller of an amount equal to the Extraordinary Expense Reserve Required Amount;
  - (xi) 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;
  - (xii) 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
  - (xiii) 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.

(k) **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.

(l) **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(l), 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.

(m) **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, in certain circumstances, Benchmark Amendments may be made to the Security Trust Deed as described in Section 8.10(c) ("*Benchmark Replacement*").

## 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\$17,000,000 (equal to 0.85% of the aggregate Invested Amount of the Notes on the Closing Date);
- (ii) if the Amortisation Conditions have ever been satisfied:
  - A. 0.85% 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.

Utilisation of the Liquidity Facility will be subject to the satisfaction of certain conditions precedent as set out in the Liquidity Facility Agreement.

(c) **Interest and fees under the Liquidity Facility Agreement**

The duration that each Applied Liquidity Amount is outstanding is divided into interest periods (each, a “**Liquidity Facility Interest Period**”). Interest accrues daily on each Applied Liquidity Amount advanced or applied under the Liquidity Facility to meet a Net Income Shortfall at the Liquidity Bank Bill Rate 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. However, if for any Liquidity Facility Interest Period, such calculation produces a rate of less than zero percent, the interest rate for that Liquidity Facility Interest Period will be zero percent.

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 Bank Bill Rate**”, means, for a Liquidity Interest Determination Date, subject to clause 5.6 (“*Temporary Disruption Fallback*”) and clause 5.7 (“*Permanent Discontinuation Fallback*”) of the Liquidity Facility Agreement, 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 Liquidity Interest Determination Date.

A “**Liquidity Interest Determination Date**” means, in respect of a Liquidity Facility Interest Period:

- (i) where the Liquidity Bank Bill Rate applies or the Final Fallback Rate applies under paragraph (a)(iii) of the definition of Permanent Discontinuation Fallback (as defined in the Liquidity Facility Agreement), the first day of that Liquidity Facility Interest Period; and
- (ii) otherwise, the fifth Business Day prior to the last day of that Liquidity Facility Interest Period,

subject in each case to adjustment in accordance with the Business Day Convention.

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.

(d) **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.

(e) **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 credit rating equal to or higher than A, 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) the minimum ratings set out in sub-paragraph 2 below will instead apply in relation to it (provided that the Liquidity Facility has the minimum ratings set out in sub-paragraph 2 below at the time it gives such notice);
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 rating equal to or higher than AA-,

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.

(f) **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.

(g) **Consequences of a Liquidity 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.

(h) **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 2056;
- (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(g) ("*Consequences of an Event of Default*") above) or declares the Liquidity Facility terminated following a Liquidity Event of Default;
- (iv) the date on which all Notes have been 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.

(i) **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 redraws and further advances made during a Collection Period as contemplated by Section 8.15 (“*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 A\$5,000,000, the greater of:
  - A. the Specified Performing Mortgage Loans Amount as at the most recent Determination Date; and
  - B. A\$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**”.

Utilisation of the Redraw Facility will be subject to the satisfaction of certain conditions precedent as set out in the Redraw Facility Agreement.

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) 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 Bank Bill Rate 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. However, if for any Redraw Facility Interest Period, such calculation produces a rate of less than zero percent, the interest rate for that Redraw Facility Interest Period will be zero percent.

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 “**Redraw Bank Bill Rate**” means, for a Redraw Interest Determination Date, subject to clause 5.6 (“*Temporary Disruption Fallback*”) and clause 5.7 (“*Permanent Discontinuation Fallback*”) of the Redraw Facility Agreement, 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 Redraw Interest Determination Date.

A “**Redraw Interest Determination Date**” means, in respect of a Redraw Facility Interest Period:

- (i) where the Redraw Bank Bill Rate applies or the Final Fallback Rate applies under paragraph (a)(iii) of the definition of Permanent Discontinuation Fallback (as defined in the Redraw Facility Agreement), the first day of that Redraw Facility Interest Period; and
- (ii) otherwise, the fifth Business Day prior to the last day of that Redraw Facility Interest Period,

subject in each case to adjustment in accordance with the Business Day Convention.

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.

(d) **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.

(e) **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.

(f) **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.

(g) **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 2056;
- (ii) the date on which all Notes have been 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.

(h) **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 Helia 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 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 ultimate 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.

## 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 Bank Bill Rate.

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, Level 1, 11 Harbour 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 ("**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(e) ("*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 the Bank Bill Rate 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 (“**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(e) (“*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, the Bank Bill Rate for the relevant period and a margin specified in the Fixed Rate Swap confirmation.

(d) **Downgrade of the Interest Rate Swap Provider**

If the Interest Rate Swap Provider does not have the relevant credit ratings (as designated in the Interest Rate Swap Agreement) from S&P or Fitch Ratings, the Interest Rate Swap Provider must, at its own cost, take certain action within the applicable timeframe required under the Interest Rate Swap Agreement.

This action may include one or more of the following:

- (i) lodging collateral in respect of the Fixed Rate Swap as determined under the Interest Rate Swap Agreement;
- (ii) novating all of the Interest Rate Swap Provider’s rights and obligations under the Fixed Rate Swap to an eligible replacement counterparty which holds the relevant ratings from S&P and/or Fitch Ratings (as applicable);
- (iii) arranging for the Interest Rate Swap Provider’s obligations in relation to the Fixed Rate Swap to be irrevocably guaranteed by a person who holds the relevant ratings from S&P and/or Fitch Ratings (as applicable); or
- (iv) entering into such other arrangements in relation to its obligations in relation to the Fixed Rate Swap in respect of which the Manager issues a Rating Affirmation Notice.

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 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 10<sup>th</sup> Business Day after the due date;
- (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 10<sup>th</sup> Business Day after the due date;
- (iii) if, in the case of the Trustee, the Interest Rate Swap Provider fails to take the required action within the applicable timeframe under the Interest Rate Swap Agreement 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 2056;
- (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 or the Fixed Rate Swap 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 Bank Bill Rate 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.

## 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) for all of the Mortgage Loans ("**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 as described in Section 8.19 (“*Optional Redemption of the Notes – on or after the Call Date*”)) of the Notes together with their accrued but unpaid interest (except in relation to the Class B Notes if the Class B Notes are to be redeemed without payment of accrued but unpaid interest as described in Section 8.19 (“*Optional Redemption of the Notes – on or after the Call Date*”)) 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, 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.

Benchmark Amendments may also be made to any Transaction Document without the consent of Noteholders in the circumstances described in Section 8.10(c) (“*Benchmark replacement*”).

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## **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 Chief Operations Office division, presently located in Sydney, Brisbane, Melbourne, 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 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, Retail Operations teams and marketing centres of Commonwealth Bank of Australia.

#### **(a) 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.

#### **(b) 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.

(c) **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.

(d) **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 National Credit Legislation, not lower than the Threshold Rate.

(e) **Collections**

The Servicer will receive collections on the Mortgage Loans from borrowers. The Servicer must deposit any collections into the Collections Account:

- (i) if a Concentrations Event (as defined below) is subsisting, within 1 Business Day; or
- (ii) if no Concentrations Event (as defined below) is subsisting:
  - A. provided that the Servicer has the Servicer Required Rating, by 10.00am on the Business Day prior to the Distribution Date immediately following that Collection Period; or
  - B. in any other case, within 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.

Where the Servicer retains collections as described above for more than 2 Business Days, the Servicer may also retain any interest and other income derived from those collections but must when depositing the collections into the Collections Account also deposit such interest and other income into the Collections Account.

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 subparagraphs (b)(i) and (ii) no longer exist.

(f) **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.

(g) **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.

(h) **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.

(i) **Product Changes**

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 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*”), 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:

- (i) change in the interest rate basis of the loan (including a change from a floating rate to a fixed rate);
- (ii) change in the interest rate structure of a loan (including from an amortising loan to an interest-only loan);
- (iii) a change in the loan structure (including moving from a full documentation to a low documentation loan); and
- (iv) 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.

## **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(h) (“*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 in 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. 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, a 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.

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## 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 A Notes and the Class B 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, or in substitution for, interest and certain other amounts, as defined in section 128A(1AB) 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;
- (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 (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 A Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

The Trustee does not intend to issue the Class B 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.

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 A 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*– other than in respect of IWT (as outlined in section 12.2 above), 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 relevant notes have been issued in a manner which satisfies the requirements of 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 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 Class A Notes, then the requirements of Section 12-140 do not apply to payments to a Noteholder of Class A Notes in registered form who is not a resident of Australia and not holding those Class A 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 Division 11A of Part III 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 assessed 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

If an entity makes a “taxable supply”, it is required to remit GST to the ATO at the rate of 10% based on the value of that 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 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 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 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 from the ATO in respect of the acquisition by the Series Trust of taxable supplies that relate to the making of input tax supplies by the Trust.

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 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 55% RITC rate would not apply and that the 75% RITC rate would apply.

- (iii) GST will not be charged on supplies made between members of the CBA GST Group. Accordingly, no GST should be chargeable on supplies made to the Trust by other members of the CBA GST Group (for example, the management and servicing services).
- (iv) 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 if the supply had been performed in Australia (eg, because the supplies did not relate solely to the issue of Notes by the Series Trust to Australian non-residents who are not in the “indirect tax zone”). 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.

(c) **Taxation of trusts**

The former Australian Government proposed amending 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 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 an attribution managed investment trust regime for qualifying 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.

## 12.5 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 to give effect to the CRS.

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## **13 Ratings of the Notes**

The issuance of the Class A Notes will be conditioned on obtaining ratings of AAA(sf) by S&P and AAAsf by Fitch Ratings.

Investors 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.

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## 14 Selling Restrictions

### 14.1 Introduction

No action has been taken by the Trustee or the Dealer which would or is intended to permit a public offer of the 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 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 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.

### 14.3 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Notes has been or will be lodged with ASIC and:

- (a) no invitation or offer, directly or indirectly, of the 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 Notes in Australia may be distributed or published; and
- (c) any person to whom 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.

#### 14.4 European Economic Area

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 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 an EU Qualified Investor.
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

#### 14.5 The United Kingdom

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 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 UK Qualified Investor; and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

#### 14.6 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 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 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 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 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.

#### 14.7 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”) and, accordingly, no person may offer or sell any 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.

#### 14.8 New Zealand

No person may:

- (a) offer for sale or transfer or directly or indirectly offer for sale or transfer any Notes; or
- (b) distribute directly or indirectly, any offering materials or advertisements in relation to any offer of 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”,

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) 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 FMC Act.

## 14.9 Switzerland

This Information Memorandum does not constitute an offer or solicitation to purchase or invest in any Notes and may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the “**FinSA**”) and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither the preliminary Information Memorandum, the final Information Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA and neither the preliminary Information Memorandum, the final Information Memorandum nor any other offering materials relating to any of the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

## 14.10 Singapore

This Information Memorandum has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore. 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 Notes may not be circulated or distributed, nor may the 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.

Where the Notes are subscribed for or purchased under section 275 of the SFA by an accredited investor who is:

- (a) a corporation 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 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 SFA) or securities-based derivatives contracts (as defined in section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred except:

- (i) to an institutional investor or to an accredited investor;
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law.

Any reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

## 14.11 People’s Republic of China

The 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.

#### **14.12 General**

These selling restrictions may be modified by agreement between the Dealer and the 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.

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## 15 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 31 August 2023;
- (c) the Series Supplement between the Trustee, the Manager and Commonwealth Bank of Australia (as the Seller and the Servicer), dated 27 October 2023;
- (d) the Security Trust Deed between the Trustee, the Manager and the Security Trustee, dated 27 October 2023;
- (e) the Liquidity Facility Agreement between the Trustee, the Manager and the Liquidity Facility Provider, dated 27 October 2023;
- (f) the basis swap and fixed rate swap between the Trustee, the Manager, and the Interest Rate Swap Provider dated 31 October 2023, 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 27 October 2023;
- (g) the Redraw Facility Agreement between the Trustee, the Manager and the Redraw Facility Provider dated 27 October 2023; and
- (h) the Dealer Agreement between the Trustee, the Manager, the Arranger, the Lead Manager and the Dealer dated 27 October 2023.

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## 16 Glossary

<b>Accrual Period</b>	This is described in Section 8.4 ( <i>“Key Dates and Periods”</i> ).
<b>Accrued Interest Adjustment</b>	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.
<b>Acquiring Trust</b>	This is described in Section 5.3 ( <i>“Transfer of assets between Trusts”</i> ).
<b>ADI</b>	means an “authorised deposit-taking institution” under the Banking Act 1959 (Cth).
<b>Adjustment Advance</b>	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.
<b>Adjustment Spread</b>	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: <ul style="list-style-type: none"><li>(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</li><li>(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.</li></ul>
<b>Adjustment Spread Fixing Date</b>	means the first date on which a Permanent Discontinuation Trigger occurs with respect to the Bank Bill Rate.
<b>Administrator</b>	means: <ul style="list-style-type: none"><li>(a) in respect of the Bank Bill Rate, ASX Benchmarks Pty Limited (ABN 38 616 075 417);</li><li>(b) in respect of AONIA, the Reserve Bank of Australia; and</li></ul>

- (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.

**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.

**Affected Investors** This is described in Section 3.36 (“*Securitisation Regulation Rules*”).

**AML/CTF Act** means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).

**AML/CTF Program** means an anti-money laundering and counter-terrorism financing program as defined under the AML/CTF Act.

- Amortisation Conditions**
- (a) no Liquidity Shortfall Advance has been made under the Liquidity Facility on the prior Distribution Date;
  - (b) the Stated Amount of each Note is equal to the Invested Amount of each Note on that Distribution Date; and
  - (c) there are no outstanding Principal Draws on that Distribution Date.

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

**AONIA Fallback Rate** means, in respect of an Interest Determination Date, the rate determined by the Manager to be Compounded Daily AONIA for that 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).

**Arranger** This is described in Section 2.1 (“*Parties to the Transaction*”).

**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:

- (a) the assets of the Disposing Trust insofar as they relate to the Mortgage Loans referred to in that Transfer Proposal; and

- (b) unless otherwise specified in that Transfer Proposal, the benefit of all representations and warranties given to the Trustee by the seller of the Mortgage Loans referred to in that Transfer Proposal, the Servicer or any other person in relation to those assets.

<b>Assignment Date</b>	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.
<b>ASX</b>	means ASX Limited ABN 98 008 624 691.
<b>Austraclear</b>	means Austraclear Services Limited (ABN 28 003 284 419).
<b>Austraclear Regulations</b>	means the regulations and related operating procedures established from time to time by Austraclear.
<b>Australian Credit Licence</b>	has the meaning given to that term in the NCCP Act.
<b>Australian Tax Act</b>	This is described in Section 12 (“ <i>Taxation considerations</i> ”).
<b>Authorised Short-Term Investments</b>	means deposits with, or the acquisition of certificates of deposit issued by, an ADI, denominated in Australian Dollars and provided such investments must: <ul style="list-style-type: none"><li>(a) be held in the name of the Trustee;</li><li>(b) have a Required Credit Rating or be held with an Eligible Depository;</li><li>(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;</li><li>(d) be an “authorised investment” within the meaning of section 289 of the Duties Act 2001 (Qld);</li><li>(e) not give rise to a requirement for FATCA Withholding Tax; and</li><li>(f) 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).</li></ul>
<b>Available Income Amount</b>	This is described in Section 8.5 (“ <i>Determination of the Available Income Amount</i> ”).
<b>Available Principal Amount</b>	This is described in Section 8.11 (“ <i>Determination of the Available Principal Amount</i> ”).
<b>Bank Bill Rate</b>	means, for an Interest Determination Date, subject to Section 8.10(c) (“ <i>Benchmark Replacement</i> ”), 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 Interest Determination Date, provided that the Bank Bill

Rate for the first Accrual Period will be the rate determined using straight line interpolation by reference to two rates where:

- (a) the first rate must be determined on the Interest Determination Date of that Accrual Period as being the per annum rate expressed as a decimal which is the level of BBSW for a period of two months provided by the Administrator and published as of the Publication Time on that Interest Determination Date; and
- (b) the second rate must be determined on the Interest Determination Date of that Accrual Period as being the per annum rate expressed as a decimal which is the level of BBSW for a period of three months provided by the Administrator and published as of the Publication Time on that Interest Determination Date.

**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"*).

**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.

**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.

**Business Day Convention** means, in respect of any relevant date that is not a Business Day, that the date is postponed to 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.

**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.

<b>Cash Deposit</b>	means the amount credited to the Liquidity Facility Reserve Deposit Account by the Liquidity Facility Provider to meet a Cash Deposit Advance (after taking into account any application of, allocation to and repayment of the Cash Deposit in accordance with the Liquidity Facility Agreement).
<b>Cash Deposit Advance</b>	means an advance made by the Liquidity Facility Provider to the Trustee under the Liquidity Facility Agreement during a Cash Deposit Period.
<b>Cash Deposit Period</b>	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: <ul style="list-style-type: none"> <li>(a) any date on which the Liquidity Facility Provider obtains the Designated Credit Rating;</li> <li>(b) the date on which the Liquidity Facility Provider takes the action described in Section 10.8(e)(i) or (iii) (“<i>Downgrade of Liquidity Facility Provider</i>”);</li> <li>(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</li> <li>(d) the Liquidity Facility Termination Date.</li> </ul>
<b>CBA Trust</b>	This is described in Section 6.4 (“ <i>Transfer and Assignment of the Mortgage Loans</i> ”).
<b>Charge</b>	This is described in Section 10.6(a) (“ <i>The Charge</i> ”).
<b>Class</b>	means, depending upon the context, the Class A Notes, the Class B Notes, the Capital Unit or the Income Unit (or any of them).
<b>Class A Aggregate Interest Amount</b>	in relation to a Distribution Date means the sum of the Class A Interest Amount and the Class A Unpaid Interest Amount (if any) in relation to that Distribution Date.
<b>Class A Interest Amount</b>	in relation to a Distribution Date and an Accrual Period for the Class A Notes ending on that Distribution Date, means the aggregate interest accrued on each Class A Note in respect of that Accrual Period pursuant to Section 8.10(a) (“ <i>Interest on the Notes</i> ”).
<b>Class A Note</b>	means a debt security issued by the Trustee, in its capacity as trustee of the Series Trust, and described as a “Class A Note”.
<b>Class A Noteholder</b>	means, at any time, the person recorded at that time in the Register as the holder of a Class A Note.
<b>Class A Stepped Up Margin</b>	This is described in Section 8.10(a) (“ <i>Interest on the Notes</i> ”).
<b>Class A Unpaid Interest Amount</b>	in relation to a Distribution Date means the aggregate of:

- (a) any Class A 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 A Interest Amounts referred to in paragraph (a) pursuant to Section 8.10(a) (“*Interest on the Notes*”).

**Class B Aggregate Interest Amount** in relation to a Distribution Date means 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 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 during 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 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*”).

**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 10 November 2023.

**Collateral** This is described in Section 10.6(a) (“*The Charge*”).

**Collateral Security** This is described in Section 6.1(d) (“*Assets of the Series Trust*”).

**Collection Period** This is described in Section 8.4 (“*Key Dates and Periods*”).

**Collections Account** means each bank account opened in accordance with the Transaction Documents in respect of the Series Trust.

**Commonwealth Bank of Australia** means the Commonwealth Bank of Australia ABN 48 123 123 124.



**Compounded Daily AONIA** means, in respect of an 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<sub>0</sub>*** means the number of Business Days in the relevant Accrual Period;
- AONIA<sub>i-5BD</sub>*** 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<sub>0</sub>*, 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<sub>i</sub>*** 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 needs to be determined for a period other than an Accrual Period, Compounded Daily AONIA 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.

**Concentrations Event** This is described in Section 11.1(e) (“*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.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Credit Support Notes** This is described in Section 2.4(b) (“*Allocation of losses*”).

**Cut-Off Date** means 8 November 2023.

**Dealer** This is described in Section 2.1 (“*Parties to the Transaction*”).

**Dealer Agreement** This is described in Section 15 (“*Transaction Documents*”).

**Designated Credit Rating** This is described in Section 10.8(e) (“*Downgrade of Liquidity Facility Provider*”).

<b>Determination Date</b>	This is described in Section 8.4 (“ <i>Key Dates and Periods</i> ”).
<b>Disposing Trust</b>	This is described in Section 5.3 (“ <i>Transfer of assets between Trusts</i> ”).
<b>Distribution Date</b>	means each date referred to as such in the table in Section 2.2 (“ <i>Summary of the Notes</i> ”).
<b>EBA</b>	means the European Banking Authority.
<b>Eligible Depository</b>	means a financial institution which has assigned to it the following ratings from each of S&P and Fitch Ratings: <ul style="list-style-type: none"> <li>(a) in respect of S&amp;P: <ul style="list-style-type: none"> <li>(i) a long-term credit rating equal to or higher than BBB; or</li> <li>(ii) a short-term credit rating equal to or greater than A-2; and</li> </ul> </li> <li>(b) in respect of Fitch Ratings, a short-term credit rating equal to or higher than F1 or a long-term credit rating equal to or higher than A,</li> </ul> <p>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.</p>
<b>EU Affected Investors</b>	This is described in Section 3.36 (“ <i>Securitisation Regulation Rules</i> ”).
<b>EU Credit-Granting Requirements</b>	This is described in Section 3.36 (“ <i>Securitisation Regulation Rules</i> ”).
<b>EU Investor Requirements</b>	This is described in Section 3.36 (“ <i>Securitisation Regulation Rules</i> ”).
<b>EU Prospectus Regulation</b>	means Regulation (EU) 2017/1129 (as amended).
<b>EU Qualified Investor</b>	means a person who is a “qualified investor” as defined in Article 2 of the EU Prospectus Regulation.
<b>EU Retention</b>	This is described in Section 1.14 (“ <i>EU Securitisation Regulation Rules and UK Securitisation Regulation Rules</i> ”).
<b>EU Retention Requirement</b>	This is described in Section 3.36 (“ <i>Securitisation Regulation Rules</i> ”).
<b>EU Securitisation Regulation</b>	This is described in Section 1.14 (“ <i>EU Securitisation Regulation Rules and UK Securitisation Regulation Rules</i> ”).
<b>EU Securitisation</b>	This is described in Section 1.14 (“ <i>EU Securitisation Regulation Rules and UK Securitisation Regulation Rules</i> ”).

**Regulation  
Rules**

**EU Transaction Requirements** This is described in Section 3.36 (“*Securitisation Regulation Rules*”).

**EU Transparency Requirement** This is described in Section 3.36 (“*Securitisation Regulation Rules*”).

**EUWA** means the European Union (Withdrawal) Act 2018 (as amended) of the United Kingdom.

**Event of Default** This is described in Section 10.6(d) (“*The Security Trust Deed*”).

**Extraordinary Expense Reserve** This is described in Section 8.8 (“*Extraordinary Expense Reserve*”).

**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).

**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.

**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).

**FATCA** means:

- (a) sections 1471 to 1474 of the United States of America Internal Revenue Code of 1986 (including any regulations or official guidance issued in respect thereof and any amended or successor provisions);
- (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 any law, regulation or official guidance referred to in paragraph (a) above; or
- (c) any agreement under the implementation of any treaty, law, regulation or other official guidance referred to in 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 Tax** means any withholding or deduction made under or in connection with, or to ensure compliance with, FATCA.

**FCA** means the Financial Conduct Authority.

**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 (b), which is the last provided or published level of that Applicable Benchmark Rate.

<b>Final Maturity Date</b>	This is described in Section 2.2 (“ <i>Summary of the Notes</i> ”).
<b>Finance Charge Collections</b>	This is described in Section 8.5(a) (“ <i>Determination of the Available Income Amount</i> ”).
<b>Fitch Ratings</b>	means Fitch Australia Pty Ltd ABN 93 081 339 184.
<b>Fixed Rate Swap</b>	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.
<b>Fixed Rate Swap Notional Amount</b>	This is described in Section 10.11(c) (“ <i>Fixed Rate Swap</i> ”).
<b>Fixed Rate Swap Provider</b>	This is described in Section 2.1 (“ <i>Parties to the Transaction</i> ”).
<b>FSMA</b>	means the Financial Services and Markets Act 2000 (as amended) of the United Kingdom.
<b>Gross Income Shortfall</b>	This is described in Section 8.6 (“ <i>Principal Draw</i> ”).
<b>GST</b>	has the meaning provided in the GST Act.
<b>GST Act</b>	means A New Tax System (Goods and Services Tax) Act 1999.
<b>GST Group</b>	has the meaning provided in the GST Act.
<b>Helia</b>	means Helia Insurance Pty Limited (ABN 60 106 974 305).
<b>High LTV Master Policy</b>	This is described in Section 10.10(a) (“ <i>Mortgage Insurance</i> ”).
<b>Income Unit</b>	means the unit in the Series Trust which is designated as an “Income Unit” for the Series Trust.

<b>Income Unitholder</b>	means the Unitholder of an Income Unit.
<b>Initial Invested Amount</b>	means: <ul style="list-style-type: none"> <li>(a) in respect of each Class A Note, A\$100,000; and</li> <li>(b) in respect of each Class B Note, A\$100,000.</li> </ul>
<b>Insolvency Event</b>	means, in relation to: <ul style="list-style-type: none"> <li>(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): <ul style="list-style-type: none"> <li>(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;</li> <li>(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;</li> <li>(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;</li> <li>(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;</li> <li>(v) the Trustee is or states that it is unable to pay its debts when they fall due;</li> <li>(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;</li> <li>(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;</li> <li>(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</li> </ul> </li> </ul>

- (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 Determination Date**

means, in respect of an Accrual Period:

- (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.

**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 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.

**Investor Requirements** This is described in Section 3.36 (“*Securitisation Regulation Rules*”).

**Issue Date** in relation to a Note, means the day on which the Note is issued by the Trustee.

**Japanese Due Diligence and Retention Rules** This is described in Section 3.37 (“*Japanese Due Diligence and Retention Rules*”).

**Lead Manager** This is described in Section 2.1 (“*Parties to the Transaction*”).

**Liquidity Bank Bill Rate** This is described in Section 10.8(c) (“*Interest and fees under the Liquidity Facility Agreement*”).

**Liquidity Event of Default** This is described in Section 10.8(f) (“*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 15 (“*Transaction Documents*”).



<b>Liquidity Facility Commitment Fee</b>	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.
<b>Liquidity Facility Interest</b>	in relation to a Distribution Date, means the interest due on that Distribution Date pursuant to the terms of the Liquidity Facility Agreement.
<b>Liquidity Facility Interest Period</b>	This is described in Section 10.8(c) (“ <i>Interest and fees under the Liquidity Facility Agreement</i> ”).
<b>Liquidity Facility Limit</b>	This is described in Section 10.8(a) (“ <i>Advances and Facility Limit</i> ”).
<b>Liquidity Facility Provider</b>	This is described in Section 2.1 (“ <i>Parties to the Transaction</i> ”).
<b>Liquidity Facility Reserve Deposit Account</b>	This is described in Section 10.8(e) (“ <i>Downgrade of Liquidity Facility Provider</i> ”).
<b>Liquidity Facility Termination Date</b>	means the date on which the Liquidity Facility will terminate, as described in Section 10.8(h) (“ <i>Termination</i> ”).
<b>Liquidity Interest Determination Date</b>	This is described in Section 10.8(c) (“ <i>Interest and fees under the Liquidity Facility Agreement</i> ”).
<b>Manager</b>	This is described in Section 2.1 (“ <i>Parties to the Transaction</i> ”) and Section 10.4 (“ <i>The Manager</i> ”).
<b>Manager Default</b>	means: <ul style="list-style-type: none"> <li>(a) an Insolvency Event occurs in relation to the Manager;</li> <li>(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;</li> <li>(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</li> </ul>

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;

- (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
- (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 15 ("*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*").

<b>Mortgage Loan</b>	means each mortgage loan assigned or to be assigned (as the context requires) to the Trustee.
<b>Mortgage Loan Rights</b>	This is described in Section 9.1(b) (“ <i>Sale of Mortgage Loans Upon Termination</i> ”).
<b>National Credit Legislation</b>	means, as applicable: <ul style="list-style-type: none"> <li>(a) the NCCP Act;</li> <li>(b) the National Consumer Credit Protection (Fees) Act 2009 (Cth);</li> <li>(c) the National Consumer Credit Amendment Act 2010 (Cth);</li> <li>(d) the National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 (Cth);</li> <li>(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</li> <li>(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.</li> </ul>
<b>NCCP Act</b>	means the National Consumer Credit Protection Act 2009 (Cth).
<b>NCCP Regulations</b>	means the National Consumer Credit Protection Regulations 2010 (Cth).
<b>Net Income Shortfall</b>	This is described in Section 8.7(b) (“ <i>Liquidity Facility Advance</i> ”).
<b>Non-Representative</b>	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 that Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate: <ul style="list-style-type: none"> <li>(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</li> <li>(b) is aware that such determination will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such Supervisor or Administrator (as applicable) (howsoever described) in contracts.</li> </ul>
<b>Note</b>	means, as the context requires, a Class A Note, a Class B Note or each of them.
<b>Noteholder</b>	means, as the context requires, a Class A Noteholder, a Class B Noteholder or each of them.

**Notice of  
Creation of  
Series Trust**

This is described in Section 15 (“*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, that is either:

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

other than an associate who is acting in the capacity of:

- (c) in the case of section 128F(5) of the Australian Tax Act, 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 (as defined in the Corporations Act); or
- (d) in the case of section 128F(6) of the Australian Tax Act, a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (as defined in the Corporations Act).

**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:

- (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; or
- (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.

**Performing  
Mortgage  
Loans Amount**

means, at any time, the aggregate amount outstanding under all Mortgage Loans forming part of the Assets of the Series Trust in relation to which:

- (a) no payment due from the relevant Borrower has been in arrears by more than 90 days; and
- (b) the relevant Mortgage Loan has not otherwise been determined by the Servicer to be non-performing (having regard to the definition of that term in Prudential Standard APS 220 Credit Risk Management issued by the Australian Prudential Regulation Authority).

**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;
  - (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 for the Applicable Benchmark Rate, a resolution authority with jurisdiction over the Administrator for the Applicable Benchmark Rate or a court or an entity with similar insolvency or resolution authority over the Administrator of 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 any 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.

**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.

**PRA**

means the Prudential Regulation Authority.

**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 redraws and further advances in accordance with Section 8.15 (*“Redraws and Further Advances”*).

**Preparation Date** This is described in Section 1.5 (*“Date of this Information Memorandum”*).

**Prescribed Period** in relation to a Mortgage Loan means the period of 120 days (including the last day of that period) commencing on the Closing Date.

**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 3.15 (*“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”*).



**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.

**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.

**Privacy Act** means the Privacy Act (1988) (Cth).

**Product Change** This is described in Section 11.1(i) ("*Product Changes*").

**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 for 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 for AONIA in its benchmark methodology.

**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 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.

**Rating Agencies** means, as the context requires, Fitch Ratings, S&P or all or any of the foregoing.

<b>RBA</b>	means the Reserve Bank of Australia.
<b>RBA Recommended Fallback Rate</b>	has the same meaning given to AONIA Fallback Rate but with necessary adjustments to substitute all references to AONIA with corresponding references to the RBA Recommended Rate.
<b>RBA Recommended Rate</b>	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.
<b>Redraw Bank Bill Rate</b>	This is described in Section 10.9(c) (“ <i>Interest and fees under the Redraw Facility Agreement</i> ”).
<b>Redraw Facility</b>	means the facility made available by the Redraw Facility Provider to the Trustee pursuant to the Redraw Facility Agreement.
<b>Redraw Facility Advance</b>	means a principal advance by the Redraw Facility Provider under the Redraw Facility.
<b>Redraw Facility Commitment Fee</b>	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.
<b>Redraw Facility Interest</b>	in relation to a Distribution Date means the interest due on that Distribution Date pursuant to the terms of the Redraw Facility Agreement.
<b>Redraw Facility Interest Period</b>	has the meaning given to it in Section 10.9 (“ <i>Redraw Facility</i> ”).
<b>Redraw Facility Principal Outstanding</b>	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) (“ <i>Payment of the Available Principal Amount on a Distribution Date</i> ”).
<b>Redraw Facility Provider</b>	This is described in Section 2.1 (“ <i>Parties to the Transaction</i> ”).
<b>Redraw Interest Determination Date</b>	This is described in Section 10.9(c) (“ <i>Interest and fees under the Redraw Facility Agreement</i> ”).
<b>Redraw Shortfall</b>	has the meaning given to it in Section 10.9 (“ <i>Redraw Facility</i> ”).
<b>Register</b>	means the register of Notes maintained by the Trustee in accordance with the Transaction Documents.

<b>Required Credit Rating</b>	<p>means, in respect of Authorised Short-Term Investments:</p> <p>(a) in relation to S&amp;P, a credit rating by S&amp;P as follows:</p> <p style="padding-left: 40px;">(i) for debt securities with remaining maturities at the time of purchase of less than or equal to 60 days, a short-term rating of at least A-1; and</p> <p style="padding-left: 40px;">(ii) for debt securities with remaining maturities at the time of purchase of more than 60 days, a short-term credit rating of at least A-1+; and</p> <p>(b) in relation to Fitch Ratings, a short-term credit rating equal to or higher than F1 or a long-term credit rating equal to or higher than A,</p> <p>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.</p>
<b>Required Income Amount</b>	This is described in Section 8.6(d) (“ <i>Principal Draw</i> ”).
<b>Retail Client</b>	This has the meaning given in section 761G of the Corporations Act.
<b>Review Date</b>	means 30 June 2024 and each anniversary of that date.
<b>S&amp;P</b>	means S&P Global Ratings Australia Pty Ltd ABN 62 007 324 852.
<b>Secured Creditor</b>	This is described in Section 10.6 (“ <i>The Security Trust Deed</i> ”).
<b>Secured Moneys</b>	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.
<b>Securitisation Regulation Requirements</b>	This is described in Section 3.36 (“ <i>Securitisation Regulation Rules</i> ”).
<b>Securitisation Regulation Rules</b>	This is described in Section 1.14 (“ <i>EU Securitisation Regulation Rules and UK Securitisation Regulation Rules</i> ”).
<b>Securitisation Regulations</b>	This is described in Section 1.14 (“ <i>EU Securitisation Regulation Rules and UK Securitisation Regulation Rules</i> ”).
<b>Security Certificate</b>	This is described in Section 8.2(a) (“ <i>Form of the Notes</i> ”).
<b>Security Interest</b>	<p>means any:</p> <p>(a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed</p>

deposit arrangement and any “security interest” as defined in sections 12(1) or (2) of the PPSA; or

- (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
- (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
- (d) third party right or interest or any right arising as a consequence of the enforcement of a judgment,

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) (“*The Security Trust Deed*”).

**Security Trust Deed**

This is described in Section 15 (“*Transaction Documents*”).

**Security Trustee**

This is described in Section 2.1 (“*Parties to the Transaction*”).

**Seller**

Commonwealth Bank of Australia.

**Senior Secured Moneys**

means any obligation of the Trustee in relation to the Secured Money:

- (a) owing in respect of the Class A Notes and any obligations ranking equally or senior to the Class A Notes (as determined in accordance with the order of priority set out in Section 8.9 (“*Payment of the Available Income Amount on a Distribution Date*”)), at any time while the Class A Notes are outstanding;
- (b) 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 A Notes are outstanding; and
- (c) under the Transaction Documents generally, at any time while no Notes are outstanding.

**Series Supplement**

This is described in Section 15 (“*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(h) (“*Removal, Resignation and Replacement of the Servicer*”).

<b>Servicer Required Rating</b>	<p>means the following credit ratings from each of S&amp;P and Fitch Ratings:</p> <ul style="list-style-type: none"> <li>(a) in respect of S&amp;P: <ul style="list-style-type: none"> <li>(i) a long-term credit rating equal to or higher than BBB; or</li> <li>(ii) if the relevant entity does not have a long-term credit rating from S&amp;P, a short-term credit rating equal to or higher than A-2; and</li> </ul> </li> <li>(b) in respect of Fitch Ratings, a short-term credit rating equal to or higher than F2 or a long-term credit rating equal to or higher than BBB,</li> </ul> <p>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.</p>
<b>Specified Performing Mortgage Loans Amount</b>	<p>means at any time means the amount equal to the Performing Mortgage Loans Amount at that time multiplied by 0.0062.</p>
<b>SSPE</b>	<p>means a securitisation special purpose entity.</p>
<b>Stated Amount</b>	<p>for a Note, means:</p> <ul style="list-style-type: none"> <li>(a) the principal amount of that Note upon issue; less</li> <li>(b) the aggregate of principal payments previously made on that Note; less</li> <li>(c) the aggregate of all then unreimbursed Principal Chargeoffs on that Note.</li> </ul>
<b>Subordinated Termination Payment</b>	<p>means any termination payment due from the Trustee under the Interest Rate Swap Agreement:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul>
<b>Supervisor</b>	<p>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.</p>
<b>Supervisor Recommended Rate</b>	<p>means the rate formally recommended for use as the replacement for the Bank Bill Rate by the Supervisor of the Bank Bill Rate.</p>

<b>Support Facility</b>	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.
<b>Support Facility Provider</b>	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.
<b>Taxation Administration Act</b>	This is described in Section 12 (“ <i>Taxation considerations</i> ”).
<b>Temporary Disruption Fallback</b>	<p>means, in respect of:</p> <p>(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:</p> <p style="margin-left: 40px;">(i) firstly, the Administrator Recommended Rate;</p> <p style="margin-left: 40px;">(ii) next, the Supervisor Recommended Rate; and</p> <p style="margin-left: 40px;">(iii) lastly, the Final Fallback Rate;</p> <p>(b) AONIA, that the rate for any day for which AONIA is required will be the last provided or published level of AONIA; or</p> <p>(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).</p>
<b>Temporary Disruption Trigger</b>	<p>means, in respect of any Applicable Benchmark Rate which is required for any determination:</p> <p>(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</p> <p>(b) the Applicable Benchmark Rate is published or provided but the Manager determines that there is an obvious or proven error in that rate.</p>
<b>Termination Date</b>	<p>means the earliest of the following dates to occur:</p> <p>(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:</p> <p style="margin-left: 40px;">(i) the date that all Notes have been redeemed or deemed to be redeemed in full in accordance with the Transaction Documents; or</p> <p style="margin-left: 40px;">(ii) if an Event of Default has occurred, the date of the final distribution by the Security Trustee under the Security Trust Deed);</p>

- (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 15 (“*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.

**UK Affected Investor**

This is described in Section 3.36 (“*Securitisation Regulation Rules*”).

**UK Credit-Granting Requirements**

This is described in Section 3.36 (“*Securitisation Regulation Rules*”).

**UK Investor Requirements**

This is described in Section 3.36 (“*Securitisation Regulation Rules*”).

**UK Prospectus Regulation**

means Regulation (EU) 2017/1129 (as amended) as it forms part of the domestic law of the UK by virtue of the EUWA and as amended.

**UK Qualified Investor**

means a person who is a “qualified investor” as defined in Article 2 of the UK Prospectus Regulation.

**UK Retention**

This is described in Section 1.14 (“*EU Securitisation Regulation Rules and UK Securitisation Regulation Rules*”).

**UK Retention Requirement**

This is described in Section 3.36 (“*Securitisation Regulation Rules*”).

**UK Securitisation Regulation**

This is described in Section 1.14 (“*EU Securitisation Regulation Rules and UK Securitisation Regulation Rules*”).

**UK Securitisation**

This is described in Section 1.14 (“*EU Securitisation Regulation Rules and UK Securitisation Regulation Rules*”).



**Regulation  
Rules**

**UK  
Transaction  
Requirements**

This is described in Section 3.36 (“*Securitisation Regulation Rules*”).

**UK  
Transparency  
Requirements**

This is described in Section 3.36 (“*Securitisation Regulation Rules*”).

**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 A Notes then remain outstanding, the Class A Noteholders; and
- (b) if no Class A Notes then remain outstanding, but Class B Notes then remain outstanding, the Class B Noteholders; and
- (c) if no Notes remain outstanding, each other Secured Creditor.

## Directory

<b>Trustee</b>	Perpetual Trustee Company Limited Level 18, 123 Pitt Street Sydney NSW 2000
<b>Security Trustee</b>	P.T. Limited Level 18, 123 Pitt Street Sydney NSW 2000
<b>Manager</b>	Securitisation Advisory Services Pty. Limited Level 1 11 Harbour Street Sydney NSW 2000
<b>Liquidity Facility Provider, Interest Rate Swap Provider and Redraw Facility Provider</b>	Commonwealth Bank of Australia Level 1 11 Harbour Street Sydney NSW 2000
<b>Seller</b>	Commonwealth Bank of Australia Level 1 11 Harbour Street Sydney NSW 2000
<b>Servicer</b>	Commonwealth Bank of Australia Level 1 11 Harbour Street Sydney NSW 2000
<b>Arranger, Lead Manager, Dealer and Bookrunner</b>	Commonwealth Bank of Australia Level 1 11 Harbour Street Sydney NSW 2000
<b>Solicitors to Commonwealth Bank of Australia and Securitisation Advisory Services Pty. Limited</b>	King & Wood Mallesons Level 61 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000

## Appendix A

### Mortgage Loan Information (initial Mortgage Loan pool) as at 24 October 2023

#### Pool Profile by Origination Channel

<u>Origination Channel</u>	<u>No. of Loans</u>	<u>Total Loan Balance (A\$)</u>	<u>% by Loan Balance</u>	<u>Weighted Average Interest Rate (%)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Weighted Average Term to Maturity (in months)</u>
Commonwealth Bank	3,923	1,339,649,533	66.98%	5.46%	57.66%	303
Commonwealth Bank approved mortgage-broker originated (Colonial Brand)	1,850	660,350,198	33.02%	5.47%	62.94%	305
<b>Total</b>	<b>5,773</b>	<b>1,999,999,731</b>	<b>100.00%</b>	<b>5.46%</b>	<b>59.41%</b>	<b>304</b>

#### Pool Profile by Year of Origination (Quarterly)

<u>Year of Origination</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
2008Q1	8	3,308,500	1,037,283	40.44%	129,660	0.05%
2008Q2	2	1,289,500	381,805	30.37%	190,902	0.02%
2008Q3	9	5,425,940	1,146,607	33.34%	127,401	0.06%
2008Q4	14	5,975,750	2,548,177	53.45%	182,013	0.13%
2009Q1	11	4,796,000	1,602,362	48.39%	145,669	0.08%
2009Q2	13	4,939,272	1,907,541	49.38%	146,734	0.10%
2009Q3	13	9,279,500	2,655,515	39.82%	204,270	0.13%
2009Q4	15	11,284,070	4,090,252	47.94%	272,683	0.20%
2010Q1	7	2,443,096	902,210	55.87%	128,887	0.05%
2010Q2	12	8,125,564	3,087,557	51.46%	257,296	0.15%
2010Q3	11	5,634,000	2,138,898	49.21%	194,445	0.11%
2010Q4	12	6,974,684	3,197,785	50.33%	266,482	0.16%
2011Q1	15	7,605,979	3,062,867	49.07%	204,191	0.15%

2011Q2	11	6,747,550	2,303,740	52.58%	209,431	0.12%
2011Q3	15	7,538,000	3,205,516	57.25%	213,701	0.16%
2011Q4	8	5,566,000	1,432,220	43.54%	179,028	0.07%
2012Q1	13	5,597,150	2,239,050	49.18%	172,235	0.11%
2012Q2	13	11,748,421	2,869,177	45.39%	220,706	0.14%
2012Q3	17	10,012,979	3,517,821	47.39%	206,931	0.18%
2012Q4	16	8,796,620	4,181,912	54.44%	261,369	0.21%
2013Q1	29	18,038,977	7,140,570	56.40%	246,227	0.36%
2013Q2	30	14,027,605	7,309,812	62.45%	243,660	0.37%
2013Q3	32	20,623,000	8,997,953	54.22%	281,186	0.45%
2013Q4	32	17,617,003	8,549,446	62.93%	267,170	0.43%
2014Q1	44	28,105,344	12,483,037	56.89%	283,705	0.62%
2014Q2	42	22,392,953	11,352,251	59.99%	270,292	0.57%
2014Q3	36	22,987,428	10,271,411	58.17%	285,317	0.51%
2014Q4	50	40,387,535	15,643,254	52.05%	312,865	0.78%
2015Q1	53	35,877,553	16,878,037	58.09%	318,454	0.84%
2015Q2	64	40,806,993	20,299,215	60.13%	317,175	1.01%
2015Q3	61	37,785,051	18,975,617	59.74%	311,076	0.95%
2015Q4	70	50,859,834	23,031,895	58.44%	329,027	1.15%
2016Q1	52	32,705,917	13,418,262	55.07%	258,043	0.67%
2016Q2	76	56,685,157	26,045,949	57.33%	342,710	1.30%
2016Q3	111	91,901,487	39,358,997	55.48%	354,586	1.97%
2016Q4	130	84,140,959	40,372,954	58.65%	310,561	2.02%
2017Q1	112	72,693,630	29,690,329	56.94%	265,092	1.48%
2017Q2	104	69,859,234	29,235,176	55.58%	281,107	1.46%
2017Q3	134	94,373,801	38,331,329	54.07%	286,055	1.92%
2017Q4	149	99,082,415	44,727,483	56.83%	300,184	2.24%
2018Q1	142	109,072,979	45,836,263	55.79%	322,791	2.29%
2018Q2	123	79,869,944	39,563,761	61.47%	321,657	1.98%
2018Q3	110	68,558,927	34,236,241	60.92%	311,239	1.71%
2018Q4	117	63,724,744	32,478,962	60.96%	277,598	1.62%
2019Q1	99	57,034,875	31,831,613	62.97%	321,531	1.59%
2019Q2	131	86,399,805	43,772,193	61.98%	334,139	2.19%
2019Q3	163	100,964,305	49,835,804	60.88%	305,741	2.49%

2019Q4	163	115,913,812	55,928,465	59.54%	343,119	2.80%
2020Q1	181	131,989,222	63,066,489	59.89%	348,434	3.15%
2020Q2	173	114,736,852	61,571,202	63.01%	355,903	3.08%
2020Q3	203	138,633,014	73,674,358	62.20%	362,928	3.68%
2020Q4	281	201,181,608	99,623,552	59.80%	354,532	4.98%
2021Q1	295	215,410,950	101,836,217	58.93%	345,208	5.09%
2021Q2	405	309,248,382	162,042,941	62.79%	400,106	8.10%
2021Q3	419	341,021,450	168,702,492	59.16%	402,631	8.44%
2021Q4	398	351,995,694	158,707,944	55.64%	398,764	7.94%
2022Q1	358	298,867,868	147,129,683	61.22%	410,977	7.36%
2022Q2	354	299,315,949	155,683,019	63.04%	439,783	7.78%
2022Q3	11	10,459,000	4,329,756	52.94%	393,614	0.22%
2023Q3	1	900,000	527,504	58.61%	527,503	0.03%
<b>Total</b>	<b>5,773</b>	<b>4,179,339,831</b>	<b>1,999,999,731</b>	<b>59.41%</b>	<b>346,440</b>	<b>100.00%</b>

#### Pool Profile by Geographic Distribution

<u>Region</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
ACT Metro	139	92,742,445	50,549,587	65.07%	363,666	2.53%
NSW Inner City	10	11,538,100	5,410,156	57.83%	541,016	0.27%
NSW Metro	1,009	1,098,247,643	484,828,979	57.33%	480,504	24.24%
NSW Non Metro	686	460,850,222	210,243,226	54.89%	306,477	10.51%
NT Metro	33	18,275,799	10,331,324	65.57%	313,070	0.52%
NT Non Metro	16	10,375,000	4,497,170	49.00%	281,073	0.22%
QLD Inner City	16	12,323,821	5,875,750	59.26%	367,234	0.29%
QLD Metro	615	402,320,406	212,711,158	62.72%	345,872	10.64%
QLD Non Metro	553	305,740,021	142,958,012	56.01%	258,514	7.15%
SA Inner City	3	2,334,000	942,385	44.91%	314,128	0.05%
SA Metro	252	145,030,170	73,651,723	61.75%	292,269	3.68%
SA Non Metro	70	25,710,212	13,291,748	60.21%	189,882	0.66%

TAS Inner City	3	2,575,000	1,508,662	62.21%	502,887	0.08%
TAS Metro	73	44,797,164	24,064,611	64.73%	329,652	1.20%
TAS Non Metro	95	37,426,373	18,398,846	57.34%	193,672	0.92%
VIC Inner City	47	25,167,103	15,434,053	67.23%	328,384	0.77%
VIC Metro	1,283	1,022,085,651	492,286,091	61.04%	383,699	24.61%
VIC Non Metro	342	176,179,061	81,129,886	53.96%	237,222	4.06%
WA Inner City	13	7,427,500	4,326,869	63.16%	332,836	0.22%
WA Metro	415	236,636,814	127,516,508	65.35%	307,269	6.38%
WA Non Metro	100	41,557,326	20,042,987	55.45%	200,430	1.00%
<b>Total</b>	<b>5,773</b>	<b>4,179,339,831</b>	<b>1,999,999,731</b>	<b>59.41%</b>	<b>346,440</b>	<b>100.00%</b>

#### Pool Profile by Balance Outstanding

<u>Current Loan Balance (A\$)</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
50,000.00 < \$A <= 100,000.00	518	301,160,819	38,930,541	21.80%	75,155	1.95%
100,000.00 < \$A <= 150,000.00	556	293,704,863	70,472,555	35.57%	126,749	3.52%
150,000.00 < \$A <= 200,000.00	566	294,914,466	99,341,619	44.85%	175,515	4.97%
200,000.00 < \$A <= 250,000.00	647	353,941,285	146,741,349	51.61%	226,803	7.34%
250,000.00 < \$A <= 300,000.00	629	371,228,002	173,179,804	55.74%	275,326	8.66%
300,000.00 < \$A <= 350,000.00	563	351,921,242	183,146,163	60.04%	325,304	9.16%
350,000.00 < \$A <= 400,000.00	500	340,203,264	187,138,441	61.80%	374,277	9.36%
400,000.00 < \$A <= 450,000.00	432	318,254,834	183,638,780	63.56%	425,090	9.18%
450,000.00 < \$A <= 500,000.00	301	249,085,210	142,651,788	64.73%	473,926	7.13%
500,000.00 < \$A <= 550,000.00	245	213,478,729	128,745,547	65.50%	525,492	6.44%
550,000.00 < \$A <= 600,000.00	176	168,118,320	100,720,598	66.48%	572,276	5.04%

600,000.00 < \$A <= 650,000.00	135	139,520,600	84,095,130	65.42%	622,927	4.20%
650,000.00 < \$A <= 700,000.00	105	124,529,101	70,708,287	65.07%	673,412	3.53%
700,000.00 < \$A <= 750,000.00	75	97,675,201	54,298,467	66.46%	723,980	2.71%
750,000.00 < \$A <= 800,000.00	54	63,902,530	41,696,284	68.78%	772,153	2.08%
800,000.00 < \$A <= 850,000.00	44	56,890,000	36,212,230	67.29%	823,005	1.81%
850,000.00 < \$A <= 900,000.00	43	59,427,000	37,536,266	66.44%	872,936	1.88%
900,000.00 < \$A <= 950,000.00	30	46,671,999	27,848,046	64.91%	928,268	1.39%
950,000.00 < \$A <= 1,000,000.00	28	46,802,500	27,232,079	64.40%	972,574	1.36%
1,000,000.00 < \$A <= 1,050,000.00	10	18,330,000	10,337,396	58.65%	1,033,740	0.52%
1,050,000.00 < \$A <= 1,100,000.00	11	18,717,000	11,889,184	64.66%	1,080,835	0.59%
1,100,000.00 < \$A <= 1,150,000.00	21	40,617,062	23,563,996	60.94%	1,122,095	1.18%
1,150,000.00 < \$A <= 1,200,000.00	12	24,013,000	14,044,197	61.86%	1,170,350	0.70%
1,200,000.00 < \$A <= 1,250,000.00	13	28,766,613	15,905,009	61.62%	1,223,462	0.80%
1,250,000.00 < \$A <= 1,300,000.00	5	10,394,191	6,352,173	61.46%	1,270,435	0.32%
1,300,000.00 < \$A <= 1,350,000.00	9	21,421,500	11,917,326	58.95%	1,324,147	0.60%
1,350,000.00 < \$A <= 1,400,000.00	11	25,432,000	15,104,695	62.15%	1,373,154	0.75%
1,400,000.00 < \$A <= 1,450,000.00	7	20,487,000	9,959,893	53.93%	1,422,842	0.50%
1,450,000.00 < \$A <= 1,500,000.00	7	19,933,500	10,349,673	56.09%	1,478,525	0.52%
1,500,000.00 < \$A <= 1,550,000.00	2	4,750,000	3,048,742	64.27%	1,524,371	0.15%
1,550,000.00 < \$A <= 1,600,000.00	4	13,469,000	6,281,393	50.60%	1,570,348	0.31%
1,650,000.00 < \$A <= 1,700,000.00	1	2,700,000	1,679,926	62.22%	1,679,926	0.08%
1,700,000.00 < \$A <= 1,750,000.00	1	3,900,000	1,723,926	44.20%	1,723,926	0.09%
1,900,000.00 < \$A <= 1,950,000.00	3	9,720,000	5,782,364	60.19%	1,927,455	0.29%

1,950,000.00 < \$A <= 2,000,000.00	9	25,259,000	17,725,864	70.76%	1,969,540	0.89%
<b>Total</b>	<b>5,773</b>	<b>4,179,339,831</b>	<b>1,999,999,731</b>	<b>59.41%</b>	<b>346,440</b>	<b>100.00%</b>

**Pool Profile by Current Loan to Value Ratio (LTV)**

<u>Current LTV (%)</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
0.00 < LVR <= 5.00	25	50,917,079	2,002,278	4.08%	80,091	0.10%
5.00 < LVR <= 10.00	173	206,091,012	15,880,901	7.99%	91,797	0.80%
10.00 < LVR <= 15.00	221	212,287,559	26,780,054	12.78%	121,177	1.34%
15.00 < LVR <= 20.00	262	269,937,923	47,043,344	17.54%	179,555	2.35%
20.00 < LVR <= 25.00	236	213,082,752	47,798,244	22.53%	202,535	2.39%
25.00 < LVR <= 30.00	285	234,728,965	64,426,752	27.53%	226,059	3.22%
30.00 < LVR <= 35.00	251	217,306,610	70,424,484	32.47%	280,576	3.52%
35.00 < LVR <= 40.00	220	185,264,030	69,991,519	37.83%	318,143	3.50%
40.00 < LVR <= 45.00	314	230,836,282	98,485,276	42.72%	313,647	4.93%
45.00 < LVR <= 50.00	299	201,701,014	96,212,366	47.74%	321,780	4.81%
50.00 < LVR <= 55.00	341	229,028,123	120,361,035	52.59%	352,965	6.02%
55.00 < LVR <= 60.00	475	324,627,371	186,828,454	57.59%	393,323	9.34%
60.00 < LVR <= 65.00	462	310,768,057	194,272,768	62.54%	420,504	9.71%
65.00 < LVR <= 70.00	570	356,917,471	241,572,870	67.72%	423,812	12.08%
70.00 < LVR <= 75.00	737	417,723,151	303,047,940	72.58%	411,191	15.15%
75.00 < LVR <= 80.00	597	366,911,208	284,355,059	77.53%	476,307	14.22%
80.00 < LVR <= 85.00	122	59,767,587	49,421,921	82.72%	405,098	2.47%
85.00 < LVR <= 90.00	118	58,509,300	51,038,184	87.25%	432,527	2.55%
90.00 < LVR <= 95.00	65	32,934,337	30,056,282	91.27%	462,404	1.50%



<b>Total</b>	<b>5,773</b>	<b>4,179,339,831</b>	<b>1,999,999,731</b>	<b>59.41%</b>	<b>346,440</b>	<b>100.00%</b>
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**Pool Profile by Year of Maturity**

<u>Maturity Year</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
2026	3	2,800,000	1,582,157	61.15%	527,386	0.08%
2027	5	7,117,000	1,074,987	22.36%	214,997	0.05%
2028	4	1,625,950	350,281	32.62%	87,570	0.02%
2029	10	5,012,492	857,067	23.55%	85,707	0.04%
2030	12	7,511,500	1,321,466	22.16%	110,122	0.07%
2031	23	12,840,260	3,355,412	34.12%	145,888	0.17%
2032	23	15,695,191	3,193,400	29.62%	138,843	0.16%
2033	12	6,379,697	1,436,688	31.70%	119,724	0.07%
2034	29	18,595,212	4,877,279	37.97%	168,182	0.24%
2035	23	11,263,986	3,598,082	42.00%	156,438	0.18%
2036	51	34,305,654	8,450,702	39.32%	165,700	0.42%
2037	47	35,229,306	7,034,244	29.54%	149,665	0.35%
2038	53	32,164,533	9,111,950	42.40%	171,924	0.46%
2039	85	51,157,358	17,607,000	47.08%	207,141	0.88%
2040	100	68,487,566	23,872,492	46.37%	238,725	1.19%
2041	116	75,799,553	26,274,917	47.53%	226,508	1.31%
2042	109	70,241,629	21,931,301	43.39%	201,205	1.10%
2043	124	69,916,367	32,721,315	56.72%	263,882	1.64%
2044	184	112,045,606	52,843,498	58.66%	287,193	2.64%
2045	280	200,339,835	89,848,210	56.62%	320,886	4.49%
2046	387	272,654,576	122,899,852	56.64%	317,571	6.15%
2047	490	338,278,434	153,930,708	57.47%	314,144	7.70%
2048	434	294,815,002	142,580,538	60.09%	328,527	7.13%
2049	502	318,231,579	168,065,454	62.09%	334,792	8.40%
2050	650	452,814,114	239,930,152	62.40%	369,123	12.00%
2051	1,260	998,758,561	516,434,562	60.97%	409,869	25.82%
2052	756	664,358,870	344,288,514	62.83%	455,408	17.21%

2053	1	900,000	527,503	58.61%	527,503	0.03%
<b>Total</b>	<b>5,773</b>	<b>4,179,339,831</b>	<b>1,999,999,731</b>	<b>59.41%</b>	<b>346,440</b>	<b>100.00%</b>

#### Pool Profile by Loan Purpose

<u>Loan Purpose</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
Owner Occupied	4,335	3,162,038,596	1,444,603,643	58.24%	333,242	72.23%
Investment	1,438	1,017,301,235	555,396,088	62.44%	386,228	27.77%
<b>Total</b>	<b>5,773</b>	<b>4,179,339,831</b>	<b>1,999,999,731</b>	<b>59.41%</b>	<b>346,440</b>	<b>100.00%</b>

#### Pool Profile by Amortisation

<u>Payment Type</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
Principal and Interest	5,442	3,910,890,831	1,834,122,832	58.76%	337,031	91.71%
Interest Only	331	268,449,000	165,876,899	66.58%	501,139	8.29%
<b>Total</b>	<b>5,773</b>	<b>4,179,339,831</b>	<b>1,999,999,731</b>	<b>59.41%</b>	<b>346,440</b>	<b>100.00%</b>

#### Pool Profile by Mortgage Insurer

<u>Mortgage Insurer</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
No Insurance	4,871	3,725,302,783	1,692,719,035	56.86%	347,510	84.64%
Genworth	902	454,037,048	307,280,696	73.44%	340,666	15.36%
<b>Total</b>	<b>5,773</b>	<b>4,179,339,831</b>	<b>1,999,999,731</b>	<b>59.41%</b>	<b>346,440</b>	<b>100.00%</b>

#### Pool Profile by Loan Type

<u>Loan Type (fixed term remaining)</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
Variable	4,256	2,993,700,544	1,451,943,874	62.25%	341,152	72.60%
Fixed < 12 Months	670	547,233,836	265,471,208	53.54%	396,226	13.27%

1yr Fixed	616	485,217,706	218,128,360	50.49%	354,104	10.91%
2yr Fixed	156	95,860,636	41,293,412	50.24%	264,701	2.06%
3yr Fixed	71	55,665,109	22,389,226	48.65%	315,341	1.12%
4yr Fixed	4	1,662,000	773,651	46.99%	193,413	0.04%
<b>Total</b>	<b>5,773</b>	<b>4,179,339,831</b>	<b>1,999,999,731</b>	<b>59.41%</b>	<b>346,440</b>	<b>100.00%</b>

**Pool Profile by Current Interest Rates**

<u>Current Interest Rate (%)</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
1.50 < rate <= 2.00	322	270,104,351	123,555,256	50.67%	383,712	6.18%
2.00 < rate <= 2.50	537	439,887,038	203,967,359	52.00%	379,827	10.20%
2.50 < rate <= 3.00	205	172,593,021	83,895,813	53.66%	409,248	4.20%
3.00 < rate <= 3.50	93	71,897,640	33,872,235	53.04%	364,218	1.69%
3.50 < rate <= 4.00	84	62,480,821	27,065,883	50.50%	322,213	1.35%
4.00 < rate <= 4.50	45	32,085,860	13,426,957	49.39%	298,377	0.67%
4.50 < rate <= 5.00	33	27,715,750	11,111,568	46.64%	336,714	0.56%
5.00 < rate <= 5.50	43	26,920,501	13,469,804	55.58%	313,251	0.67%
5.50 < rate <= 6.00	684	611,413,840	308,235,701	60.58%	450,637	15.41%
6.00 < rate <= 6.50	1,830	1,306,092,511	667,595,644	63.40%	364,806	33.38%
6.50 < rate <= 7.00	950	641,570,522	282,257,174	60.71%	297,113	14.11%
7.00 < rate <= 7.50	573	338,366,117	148,706,388	60.76%	259,522	7.44%
7.50 < rate <= 8.00	228	108,311,368	55,059,256	65.19%	241,488	2.75%
8.00 < rate <= 8.50	87	35,657,484	16,760,064	60.39%	192,644	0.84%
8.50 < rate <= 9.00	48	30,107,326	8,560,711	48.43%	178,348	0.43%
9.00 < rate <= 9.50	11	4,135,681	2,459,918	65.49%	223,629	0.12%
<b>Total</b>	<b>5,773</b>	<b>4,179,339,831</b>	<b>1,999,999,731</b>	<b>59.41%</b>	<b>346,440</b>	<b>100.00%</b>

**Profile by Debtor Category – First Home Loan or non-First Home Loan**

<u>Debtor category</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
Non First Home Loan	5,460	4,044,163,408	1,909,867,324	58.88%	349,793	95.49%

First Home Loan	313	135,176,423	90,132,407	70.63%	287,963	4.51%
<b>Total</b>	<b>5,773</b>	<b>4,179,339,831</b>	<b>1,999,999,731</b>	<b>59.41%</b>	<b>346,440</b>	<b>100.00%</b>

**Profile by Debtor Category - Employment**

<u>Employment category</u>	<u>No. of Loans</u>	<u>Total Security Valuations (A\$)</u>	<u>Total Loan Balance (A\$)</u>	<u>Weighted Average Current LTV (%)</u>	<u>Average Loan Balance (A\$)</u>	<u>% by Loan Balance</u>
Farmers, Fishermen, Miners	64	35,954,504	17,517,736	61.68%	273,715	0.88%
Independent means	239	206,618,225	54,890,879	43.24%	229,669	2.74%
PAYE Employees	2,757	1,863,094,317	950,429,438	60.91%	344,733	47.52%
Professional	2,112	1,596,824,604	795,331,149	59.97%	376,577	39.77%
Sales	345	219,601,347	101,422,241	58.89%	293,978	5.07%
Self-employed	256	257,246,834	80,408,288	47.26%	314,095	4.02%
<b>Total</b>	<b>5,773</b>	<b>4,179,339,831</b>	<b>1,999,999,731</b>	<b>59.41%</b>	<b>346,440</b>	<b>100.00%</b>