INFORMATION MEMORANDUM

Perpetual Trustee Company Limited
(ABN 42 000 001 007) as trustee of the
NATIONAL RMBS TRUST 2018-1 IN RESPECT OF SERIES 2018-1

A$1,540,000,000 Class A1-A Notes
A$300,000,000 Class A1-G Notes
A$70,000,000 Class A2 Notes
A$46,000,000 Class B Notes
A$16,000,000 Class C Notes
A$14,000,000 Class D Notes
A$8,000,000 Class E Notes
A$6,000,000 Class F Notes

Definitions of defined terms used in this Information Memorandum are contained in the Glossary.

Class of Notes	**Class A1-A Notes**	**Class A1-G Notes**	**Class A2 Notes**	**Class B Notes**	**Class C Notes**	**Class D Notes**	**Class E Notes**	**Class F Notes**
Aggregate Initial Invested Amount	A$1,540,000,000	A$300,000,000	A$70,000,000	A$46,000,000	A$16,000,000	A$14,000,000	A$8,000,000	A$6,000,000
Issue Price	100%	100%	100%	100%	100%	100%	100%	100%
Final Maturity Date	24 August 2049	24 August 2049	24 August 2049	24 August 2049	24 August 2049	24 August 2049	24 August 2049	24 August 2049
Expected ratings:								
Moody's	Aaa(sf)	Aaa(sf)	Aaa(sf)	Aa2(sf)	A2(sf)	Baa2(sf)	Ba2(sf)	Not rated
Fitch	AAA(sf)	AAA(sf)	AAA(sf)	Not rated	Not rated	Not rated	Not rated	Not rated

Trust Administrator and Manager
National Australia Managers Limited (ABN 70 006 437 565)

Arranger, Dealer and Lead Manager
National Australia Bank Limited (ABN 12 004 044 937)

This Information Memorandum is dated 15 February 2018

DISCLAIMERS

No Guarantee

The Notes will be the obligations solely of Perpetual Trustee Company Limited in its capacity as trustee of the Trust in respect of the Series and do not represent obligations of or interests in, and are not guaranteed by, Perpetual Trustee Company Limited in its personal capacity, or as trustee of any other trust, or any other affiliate of Perpetual Trustee Company Limited. None of National Australia Bank Limited (ABN 12 004 044 937) ("**NAB**") in any of its capacities, National Australia Managers Limited (ABN 70 006 437 565) ("**Manager**") in any of its capacities, Perpetual Trustee Company Limited in its corporate capacity, as Trustee and as trustee of any other trust, P.T. Limited (ABN 67 004 454 666) in its corporate capacity, in its capacity as security trustee and as trustee of any other trust ("**Security Trustee**"), Moody's and Fitch, or any of their respective Related Entities or Associates (each as defined in the Corporations Act) (each a "**Relevant Person**") in any way stands behind the value and/or performance of the Notes or the Series Assets of the Series, or guarantees the success or performance of the Notes or the Trust, nor the repayment of capital or any particular rate of capital or income return.

The Notes do not represent deposits or other liabilities of NAB (in its individual capacity or as Fixed Rate Swap Provider, Basis Swap Provider, Liquidity Facility Provider, Arranger, a Dealer and Lead Manager) or any other affiliates of NAB.

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

None of the obligations of Perpetual Trustee Company Limited in its capacity as trustee of the Trust are guaranteed in any way by NAB or any affiliate of NAB, by Perpetual Trustee Company Limited (in its individual capacity or as trustee of any other trust), P.T. Limited or any affiliate of Perpetual Trustee Company Limited. The Trustee and the Security Trustee do not guarantee the success or performance of the Trust nor the repayment of capital or any particular rate of capital or income return.

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. For a more detailed overview of the risks, please refer to Part 2.

IMPORTANT NOTICE

Purpose

This Information Memorandum relates solely to a proposed issue of Class A1-A Notes, Class A1-G Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes (together the "**Offered Notes**") by Perpetual Trustee Company Limited (ABN 42 000 001 007) in its capacity as trustee ("**Trustee**") of the National RMBS Trust 2018-1 ("**Trust**") in respect of Series 2018-1 ("**Series**"). This Information Memorandum does not relate to, and is not relevant for, any other purpose than to assist the recipient to decide whether to proceed with a further investigation of the Offered Notes. This Information Memorandum also contains information relating to the Redraw Notes (together with the Offered Notes, the "**Notes**"). The Redraw Notes are not being offered for issue, nor are applications for the issue of the Redraw Notes being invited, by this Information Memorandum.

Summary only

This Information Memorandum is only a summary of the terms and conditions of the Offered Notes and does not purport to contain all the information a person considering investing in the Offered Notes may require. Accordingly, this Information Memorandum should not be relied upon by intending purchasers. The definitive terms and conditions of the Offered Notes and the Series are contained in the Transaction Documents, which should be reviewed by any intending purchaser. If there is any inconsistency between this Information Memorandum and the Transaction Documents, the Transaction Documents should be regarded as containing the definitive information. A copy of the Transaction Documents may be viewed by intending purchasers at the office of NAB referred to in the Directory at the back of this Information Memorandum and at such other office as may be reasonably requested by an intending purchaser and agreed by NAB and the Manager.

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

Terms and Definitions

References in this Information Memorandum to various parties and documents are explained in Parts 1, 5 and 7. Unless defined elsewhere, all other terms used in this Information Memorandum are defined in the Glossary in Part 9.

Responsibility for Information

The Manager has requested and authorised the distribution of this Information Memorandum and has sole responsibility for its accuracy.

No Relevant Person (other than the Manager) nor any external adviser to any Relevant Person 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 any previous, accompanying or subsequent material or presentation.

None of the Fixed Rate Swap Provider, the Basis Swap Provider, the Liquidity Facility Provider, the Dealer, the Arranger, the Lead Manager, the Servicer, the Trustee, the Seller or the Security Trustee have authorised, caused the issue of, or have any responsibility for, any part of this Information Memorandum. Furthermore, neither the Trustee nor the Security Trustee has had any involvement in the preparation of any part of this Information Memorandum (other than, in the case of the Trustee and Security Trustee, where parts of this Information Memorandum contain particular references to Perpetual Trustee Company Limited or P.T. Limited in their corporate capacity).

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.

Preparation Date

This Information Memorandum has been prepared based on information available and facts and circumstances known to the Manager as at 15 February 2018 ("**Preparation Date**").

The delivery of this Information Memorandum, or any offer or issue of Offered Notes, at any time after the Preparation Date does not imply, nor should it 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 Trust, the Series, the Trustee, the Manager, the Trust Administrator, the Fixed Rate Swap Provider, the Basis Swap Provider, the Liquidity Facility Provider, the Dealer, the Arranger, the Lead Manager, the Servicer, the Seller, the Security Trustee 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 one undertakes to review the financial condition or affairs of the Trustee, the Trust or the Series at any time or to keep a recipient of this Information Memorandum or 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 nor any other person accepts any responsibility to purchasers of the Offered Notes or intending purchasers of the Offered Notes to update this Information Memorandum after the Preparation Date with regard to information or circumstances which come to its attention after the Preparation Date.

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

Authorised Material

No person is authorised to give any information or to make any representation which is not expressly contained in or consistent with 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 NAB or the Manager.

Intending Purchasers to make Independent Investment Decision

This Information Memorandum is not intended to be, and does not constitute, a recommendation by the Fixed Rate Swap Provider, the Basis Swap Provider, the Liquidity Facility Provider, the Dealer, the Arranger, the Lead Manager, the Manager, the Trust Administrator, the Servicer, the Trustee, the Seller or the Security Trustee (together, the "**Parties**") that any person subscribe for or purchase any Offered Notes. Accordingly, any person contemplating the subscription or purchase of the Offered Notes must:

(a) make their own independent investigation of:

  (i) the terms of the Offered Notes, including reviewing the Transaction Documents; and

  (ii) the financial condition, affairs and creditworthiness of the Trust, the Series and the Parties,

  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.

None of the Parties or their respective Related Entities or Associates (each as defined in the Corporations Act) guarantees the payment or repayment of any moneys owing to Noteholders or any interest or principal in respect of the Offered Notes, nor do they make any statement (including, without limitation, any representation) with respect to income tax or other taxation consequences of any investment in or holding of Offered Notes.

Issue not requiring disclosure to investors under the Corporations Act

This Information Memorandum is not a "Prospectus" for the purposes of Part 6D.2 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 the sale of, and any invitation for offers to purchase, the Offered Notes to a person under this Information Memorandum:

(i) will be for a minimum amount payable, by each person (after disregarding any amount lent by the person offering the Offered Notes (as determined under section 700(3) of the Corporations Act) or any of their associates (as determined under sections 10 to 17 of the Corporations Act) on acceptance of the offer or application (as the case may be) of 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);

(ii) will be an offer or invitation to a professional investor for the purposes of section 708 of the Corporations Act; or

(iii) does not otherwise require disclosure to investors under Part 6D.2 of the Corporations Act and is not made to a retail client for the purposes of Chapter 7 of the Corporations Act.

European Economic Area Selling Restrictions

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Offered Notes which are the subject of the offering contemplated by this Information Memorandum in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

   (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

   (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"); 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 Offered Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Offered Notes.

Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Offered Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Offered Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

United Kingdom Selling Restrictions

This Information Memorandum may only be communicated or caused to be communicated in the United Kingdom to persons authorised to carry on a regulated activity under the Financial Services and Markets Act 2000 as amended ("**FSMA**"), an investment professional within the meaning of Article 19(5) or falling within Article 49(2)(a) to (d), in each case, of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) or to any other person to whom this Information Memorandum may otherwise be lawfully communicated or cause to be communicated.

Neither the Information Memorandum nor the Offered Notes are available to other categories of persons in the United Kingdom and no one falling outside such categories is entitled to rely on, and they must not act on, any information in this Information Memorandum. The communication of this Information Memorandum to any person in the United Kingdom other than the categories stated above, or any other person to whom it is otherwise lawful to communicate this Information Memorandum, is unauthorised and may contravene the FSMA.

US Selling Restrictions

The Offered Notes have not been and will not be registered under the United States Securities Act of 1933 ("**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 Offered 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.

Japan Selling Restrictions

The Offered Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) ("**Financial Instruments and Exchange Act**"). Accordingly, the Offered Notes will not be offered or sold, 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 any person resident in Japan or a juridical person having its main office in Japan as defined in Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended), including any corporation having its principal office in or other entity organised under the laws, regulations and ministerial guidelines of Japan. Any branch or office in Japan of a non-resident will be deemed to be a resident for the purpose whether such branch or office has the power to represent such non-resident.

Distribution

The distribution of this Information Memorandum and the offer or sale of Offered Notes may be restricted by law in certain jurisdictions. The Parties do not represent that this document may be lawfully distributed, or that any Offered Notes may be lawfully offered, in compliance with any application, registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Parties which would permit a public offering of any Offered Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Offered Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum or any Offered Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Information Memorandum and the offer and sale of Offered Notes in Australia, the European Economic Area, the United Kingdom, the United States of America, Hong Kong, Singapore, Japan, China, New Zealand and Switzerland (see Part 8.2).

Offshore Associate not to acquire Offered Notes

Under present law, interest and other amounts paid on the Offered 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 Income Tax Assessment Act 1936 (Cth) and they are not acquired directly or indirectly by certain offshore associates of the Trustee or NAB, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Offered Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme.

Limited Recovery

The liability of the Trustee to make payments in respect of the Offered Notes is limited to its right of indemnity from the Series Assets of the Series. Except in the case of, and to the extent that the Trustee's right of indemnification against the Series Assets of the Series is reduced as a result of fraud, negligence or wilful default (as further described in Part 7), no rights may be enforced against the personal assets of the Trustee by any person and no proceedings may be brought against the Trustee except to the extent of the Trustee's right of indemnity and reimbursement out of the Series Assets of the Series. Other than in the exception previously mentioned, the personal assets of the Trustee are not available to meet payments of interest or principal on the Offered Notes.

The liability of the Trustee is limited in the manner set out in Part 7. Furthermore, the liability of the Security Trustee is limited in the manner set out in Part 7.

Series segregation and limited recourse

The Offered Notes issued by the Trustee are limited recourse instruments and are issued only in respect of the Trust and the Series.

All claims against the Trustee in relation to the Offered Notes may, except in limited circumstances, be satisfied only out of the Series Assets of the Series secured under the General Security Agreement and the Security Trust Deed, and are limited in recourse to distributions with respect to such Series Assets from time to time.

The Offered Notes will be offered by the Dealer, subject to prior sale, if and when they are issued to and accepted by it. The Dealer reserves the right to reject an offer in whole or in part and to withdraw, cancel or modify the offer without notice.

Disclosure

Each Relevant Person discloses that it, in addition to the arrangements and interests (the "**Transaction Document Interests**") it will or may have with respect to any party to a Transaction Document or any person described in this Information Memorandum or as contemplated in the Transaction Documents (each a "**Transaction Party**") and its Related Entities, its subsidiaries, directors and employees:

(a) may from time to time, be a Noteholder or have other interests with respect to the Offered Notes and they may also have interests relating to other arrangements with respect to a Noteholder or any Offered Note; and

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

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

Each purchaser and potential purchaser of Offered Notes acknowledges these disclosures and further acknowledges and agrees that:

(a) each Relevant Person 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 member of a Transaction Party, both on the Relevant Person's own account and/or for the account of other persons (the "**Other Transaction Interests**"); and

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

(c) to the maximum extent permitted by applicable law, the duties of each of the Arranger, the Dealer, the Lead Manager, the Fixed Rate Swap Provider the Basis Swap Provider and the Liquidity Facility Provider (the "**Finance Parties**") and each of their Related Entities and employees in respect of the Offered Notes are limited to the contractual obligations of the Finance Parties to the Manager and Perpetual Trustee Company Limited in its capacity as trustee of the Trust in respect of the Series as set out in the relevant Transaction Documents and, in particular, no advisory or fiduciary duty is owed to any person; and

(d) a Relevant Person may have or come into possession of information not contained in this Information Memorandum regarding any member of a Transaction Party that may be relevant to any decision by a potential investor to acquire the Offered Notes and which may or may not be publicly available to potential investors ("**Relevant Information**"); and

(e) to the maximum extent permitted by applicable law, no Relevant Person is under any obligation to disclose any Relevant Information to any potential investor and this Information Memorandum and any subsequent course of conduct by a Relevant Person should not be construed as implying that the Relevant Person is not in possession of such Relevant Information; and

(f) each Relevant Person may have various potential and actual conflicts of interest arising in the course of its business including in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests. For example, the exercise of rights against a member of a Transaction Party arising from the Transaction Document Interests or from an Other Transaction may affect the ability of the Transaction Party member to perform its obligations in respect of the Offered Notes. In addition, the existence of the Transaction Document Interests or Other Transaction Interests may affect how a Relevant Person as a Noteholder may seek to exercise any rights it may have as a Noteholder. These interests may conflict with the interests of a Transaction Party or a Noteholder and a Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, a Relevant Person 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 to 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 Transaction Parties and the Relevant Persons may in so doing act without notice to, and without regard to, the interests of any such person.

European Union Capital Requirements Regulation

Articles 404 – 410 (inclusive) of Regulation (EU) No 575/2013 of the European Parliament and Council (known as the "Capital Requirements Regulation" or the "**CRR**"), as supplemented by Commission Delegated Regulation (EU) No 625/2014 and Commission Implementing Regulation (EU) No 602/2014, which came into force on 1 January 2014 in Member States of the European Union and have been implemented by national legislation in the other Member States of the European Economic Area. Article 405 of the CRR restricts 'credit institutions' and 'investment firms' (each as defined in the CRR) and the consolidated group affiliates thereof (each, an "**Affected Investor**") from investing in a securitisation (as defined by the CRR) unless the originator, sponsor or original lender in respect of that securitisation has explicitly disclosed to the Affected Investor that it will retain, on an ongoing basis, a net economic interest of not less than 5 percent in that securitisation in the manner contemplated by the CRR and the regulatory technical standards in relation to the same.

Investors should also be aware of Article 17 of the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU), as supplemented by Section 5 of Chapter III of Commission Delegated Regulation (EU) No 231/2013 ("**AIFMD**"), and Article 135(2) of the European Union Solvency II Directive 2009/138/EC, as supplemented by Articles 254-257 of Commission Delegated Regulation (EU) No 2015/35 ("**Solvency II**"), which introduced risk retention and due diligence requirements similar to those set out in Articles 404 – 410 of the CRR and apply, respectively, to EEA regulated alternative investment fund managers and EEA regulated insurance/reinsurance undertakings (together with those requirements under the CRR, the "**Existing EU Retention Rules**"). While such requirements are similar to those that apply under the CRR, they are not identical and, in particular, additional due diligence obligations apply to investors under the AIFMD and Solvency II.

On 17 January 2018, Regulation EU 2017/2402 laying down a general framework for securitisation and creating a framework for simple, transparent and standardised securitisation and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 and Regulation EU 2017/2401 containing related amendments to the CRR (collectively, the "**New Securitisation Regulations**") entered into force in the European Council of the European Union. The new retention rules under the New Securitisation Regulations (the "**New Retention Rules**") will apply to securitisations in respect of which the relevant securities are issued on or after 1 January 2019. The aim of the New Securitisation Regulations is to create a harmonised securitisation framework within the European Union.

In addition to applying to any investor regulated by the current CRR, the risk retention and due diligence requirements in the New Retention Rules will also apply to EEA management companies and funds regulated pursuant to the Undertakings for Collective Investment in Transferable Securities Directive (Directive 2009/65/EC) (collectively "**UCITS**") and to institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 and certain other entities appointed by such institutions (collectively, "**IORPS**") which were subject to separate requirements under AIFMD and Solvency II.

Under the New Securitisation Regulations, some but not all of the Existing Retention Rules will continue to apply to securitisations in respect of which the relevant securities are issued before 1 January 2019 ("**Pre-2019 Securitisations**"). This means that both EEA management companies and funds regulated pursuant to UCITS and institutions for occupational retirement provision as defined in the IORPS may be subject to additional requirements under the Existing Retention Rules which apply to them specifically if the relevant securities are Pre-2019 Securitisations.

In this Information Memorandum, the Existing EU Retention Rules together with the New Retention Rules, are referred to as the "**Retention Rules**" (which, in each case, do not take into account any relevant national measures) and any investor subject to the EU Retention Rules is referred to as an "Affected Investor".

NAB (as originator) will undertake to the Trustee to hold, in accordance with Article 405(1) of the CRR, a net economic interest in this securitisation transaction. As at the Closing Date, such interest will be comprised of an interest in randomly selected exposures equivalent to no less than 5% of the aggregate principal balance of the securitised exposures in accordance with paragraph 1(c) of Article 405 of the CRR. The Manager will include information in any reports provided to Noteholders:

(a) confirming NAB's continued retention of the interest described above; and

(b) any change to the manner in which the interest will be comprised if there are exceptional circumstances which cause the manner in which the interest is held to change.

There are material differences between the New Retention Rules and the Existing Retention Rules. Although the primary legislative process has reached its end, it is expected that there will be secondary legislation and guidance notes in regards to the interpretation of the New Retention Rules and the changes from the Existing Retention Rules. Prospective investors are themselves responsible for monitoring and assessing changes to the Retention Rules and their regulatory capital requirements. Each Affected Investor should consult with their own legal and regulatory advisors to determine whether, and to what extent, the information described is sufficient for compliance by that Affected Investor with any applicable Retention Rules. In the event that a regulator determines that the transaction did not comply or is no longer in compliance with the Retention Rules or the Affected Investor has insufficient information to satisfy its due diligence and/or ongoing monitoring requirements under the Retention Rules, then an Affected Investor may be required by its regulator to set aside additional capital against its investment in the Notes or take other remedial measures in respect of its investment in the Notes.

References to Rating

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 Designated Rating Agency. In addition, the provisional ratings of Notes do not address the expected timing of principal repayments under those Notes. None of the Designated Rating Agencies has been involved in the preparation of this Information Memorandum.

Ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive 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 the Information Memorandum and anyone who receives the Information Memorandum must not distribute it to any person who is not entitled to receive it.

Information distributed by National Australia Bank Limited in the United Kingdom and in Europe is distributed by NAB Europe Limited. Information distributed in New Zealand by National Australia Bank Limited is distributed by Bank of New Zealand. Information distributed in Hong Kong by National Australia Bank Limited is distributed by National Australia Bank Limited, Hong Kong Branch. In Singapore, information distributed by National Australia Bank Limited is distributed by National Australia Bank Limited, Singapore Branch which is licensed under the Banking Act, Chapter 19 of Singapore and is subject to the supervision of the Monetary Authority of Singapore.

Certification as Climate Bonds

The Class A1-G Notes will, as at the Closing Date, be certified as Climate Bonds under the Climate Bonds Standard (Version 2.1) (the “**Climate Bonds Standard**”) by the Climate Bonds Standard Board of the Climate Bonds Initiative.

Certification as a Climate Bond is neither a recommendation to buy, sell or hold securities nor a credit rating and may be subject to withdrawal at any time.

See Part 1.9 (“Certification as Climate Bonds”) for further information.

Repo-eligibility

Application will be made by the Manager 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, among other things, that certain information be provided by the Manager to the RBA at the time of seeking repo-eligibility and during the term of the Class A Notes in order for the Class A Notes to be (and to continue to be) repo-eligible.

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

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

Table of Contents

1 Part 1 – General

The following tables provide a summary of certain principal terms of the Notes issued in respect of the Trust. This summary is qualified by the more detailed information contained elsewhere in this Information Memorandum and by the terms of the Transaction Documents.

1.1 Summary – Principal Terms of the Notes

	Class A1-A Notes	**Class A1-G Notes**	**Class A2 Notes**	**Class B Notes**	**Class C Notes**	**Class D Notes**	**Class E Notes**	**Class F Notes**
Currency	A$	A$	A$	A$	A$	A$	A$	A$
Initial Invested Amount per Note	A$50,000 but subject to a minimum consideration of A$500,000	A$50,000 but subject to a minimum consideration of A$500,000	A$50,000 but subject to a minimum consideration of A$500,000	A$50,000 but subject to a minimum consideration of A$500,000	A$50,000 but subject to a minimum consideration of A$500,000	A$50,000 but subject to a minimum consideration of A$500,000	A$50,000 but subject to a minimum consideration of A$500,000	A$50,000 but subject to a minimum consideration of A$500,000
Issue price	100%	100%	100%	100%	100%	100%	100%	100%
Interest frequency	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Interest Payment Dates	The 24th day of each calendar month provided that the first Payment Date occurs in March 2018	The 24th day of each calendar month provided that the first Payment Date occurs in March 2018	The 24th day of each calendar month provided that the first Payment Date occurs in March 2018	The 24th day of each calendar month provided that the first Payment Date occurs in March 2018	The 24th day of each calendar month provided that the first Payment Date occurs in March 2018	The 24th day of each calendar month provided that the first Payment Date occurs in March 2018	The 24th day of each calendar month provided that the first Payment Date occurs in March 2018	The 24th day of each calendar month provided that the first Payment Date occurs in March 2018
Interest Rate from the Closing Date to (but excluding) the first Call Option Date	BBSW (1 month) + Note Margin	BBSW (1 month) + Note Margin	BBSW (1 month) + Note Margin	BBSW (1 month) + Note Margin	BBSW (1 month) + Note Margin	BBSW (1 month) + Note Margin	BBSW (1 month) + Note Margin	BBSW (1 month) + Note Margin

	Class A1-A Notes	**Class A1-G Notes**	**Class A2 Notes**	**Class B Notes**	**Class C Notes**	**Class D Notes**	**Class E Notes**	**Class F Notes**
Interest Rate from (and including) the first Call Option Date	BBSW (1 month) + Note Margin + Note step-up margin	BBSW (1 month) + Note Margin + Note step-up margin	BBSW (1 month) + Note Margin + Note step-up margin	BBSW (1 month) + Note Margin	BBSW (1 month) + Note Margin	BBSW (1 month) + Note Margin	BBSW (1 month) + Note Margin	BBSW (1 month) + Note Margin
Note Margin	As determined by the Manager on or prior to the Issue Date	As determined by the Manager on or prior to the Issue Date	As determined by the Manager on or prior to the Issue Date	As determined by the Manager on or prior to the Issue Date	As determined by the Manager on or prior to the Issue Date	As determined by the Manager on or prior to the Issue Date	As determined by the Manager on or prior to the Issue Date	As determined by the Manager on or prior to the Issue Date
Note step-up margin	On or after the first Call Option Date, 0.25%	On or after the first Call Option Date, 0.25%	On or after the first Call Option Date, 0.25%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Day count	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365
Anticipated ratings								
- Moody's	Aaa(sf)	Aaa(sf)	Aaa(sf)	Aa2(sf)	A2(sf)	Baa2(sf)	Ba2(sf)	Not rated
- Fitch	AAA(sf)	AAA(sf)	AAA(sf)	Not rated	Not rated	Not rated	Not rated	Not rated
Final Maturity Date	24 August 2049	24 August 2049	24 August 2049	24 August 2049	24 August 2049	24 August 2049	24 August 2049	24 August 2049
Selling restrictions	Part 8.2	Part 8.2	Part 8.2	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Governing law	New South Wales	New South Wales	New South Wales	New South Wales	New South Wales	New South Wales	New South Wales	New South Wales
Form of notes	Registered	Registered	Registered	Registered	Registered	Registered	Registered	Registered
Listing	Australian Securities Exchange	Australian Securities Exchange	Australian Securities Exchange	Not listed	Not listed	Not listed	Not listed	Not listed
Clearance	Austraclear	Austraclear	Austraclear	Austraclear	Austraclear	Austraclear	Austraclear	Austraclear
ISIN	AU3FN0040614	AU3FN0040622	AU3FN0040630	AU3FN0040648	AU3FN0040655	AU3FN0040663	AU3FN0040671	AU3FN0040689

1.2 Summary – Transaction Parties

Trustee:	Perpetual Trustee Company Limited in its capacity as trustee of the National RMBS Trust 2018-1 (“**Trust**”) in respect of Series 2018-1 (“**Series**”)
Trust Administrator:	National Australia Managers Limited
Manager:	National Australia Managers Limited
Seller:	National Australia Bank Limited
Servicer:	National Australia Bank Limited
Liquidity Facility Provider:	National Australia Bank Limited
Fixed Rate Swap Provider:	National Australia Bank Limited
Basis Swap Provider:	National Australia Bank Limited
Security Trustee:	P.T. Limited in its capacity as trustee of the National RMBS 2018-1 Series 2018-1 Security Trust
Designated Rating Agencies:	Moody’s and Fitch
Mortgage Insurers:	Genworth Financial Mortgage Insurance Pty Limited QBE Lenders’ Mortgage Insurance Limited
Arranger and Dealer:	National Australia Bank Limited

1.3 Summary – Transaction

GENERAL	
Cut-Off Date	7 February 2018
Closing Date	15 February 2018
Determination Date	The day which is 5 Business Days prior to each Payment Date.
Payment Date	The 24th day of each calendar month or, if the 24th day is not a Business Day, then the next Business Day. The first Payment Date will be in March 2018.
Redraw and Redraw Notes	Prior to the occurrence of an Event of Default and enforcement of the General Security Agreement, the Manager may, on any day during a Collection Period, direct the Trustee to apply Collections received during that Collection Period towards funding Redraws on that day, if the aggregate of such payments would not exceed the aggregate principal collections received during that Collection Period up to that day. Redraws made by the Seller on any day during a Collection Period, which are not otherwise reimbursed to it by the Trustee on that day from Collections received during that Collection Period, will be reimbursable by

	the Trustee to the Seller on the Payment Date immediately following the end of that Collection Period to the extent there are funds available for that purpose, and the Trustee must pay to the Seller interest on the daily balance of the un-reimbursed Redraw. If at any time the Manager reasonably forms the view that the Principal Collections that will be available to fund the making or reimbursement of Redraws will be less than the Manager's estimate of the amounts required to fund such Redraws (a "**Redraw Shortfall**") then the Manager may (in its discretion) direct the Trustee to issue Redraw Notes with such Aggregate Invested Amount as may be determined by the Manager having regard to the Redraw Shortfall. If there are any surplus proceeds from the issue of such Redraw Notes over the Redraw Shortfall (such surplus created due to the size of the parcels of Notes to be issued) such surplus must be applied as Principal Collections on the immediately following Payment Date. The Manager may only direct the Trustee to issue Redraw Notes if a Rating Notification has been provided in respect of the issuance of Redraw Notes.
Liquidity Facility Agreement	If, on any Determination Date, there is a Liquidity Shortfall, the Manager must direct the Trustee to make a Liquidity Drawing under the Liquidity Facility Agreement on the Payment Date immediately following that Determination Date equal to the lesser of: (a) the Liquidity Shortfall on that Determination Date; and (b) the Available Liquidity Amount on that Determination Date. Drawings under the Liquidity Facility Agreement will be subject to certain conditions precedent. NAB will be the initial Liquidity Facility Provider. For further details on the Liquidity Facility see Part 7.11.
Fixed Rate Swap	In order to hedge the mismatch between interest payments from the fixed rate Purchased Receivables and the Trustee's floating rate obligations under the Notes, the Trustee will enter into the Fixed Rate Swap with NAB as the initial Fixed Rate Swap Provider. For further details on the Fixed Rate Swap see Part 7.10.
Basis Swap	In order to hedge the mismatch between interest payments from the variable rate Purchased Receivables and the Trustee's floating rate obligations under the Notes, the Trustee will enter into the Basis Swap with NAB as the initial Basis Swap Provider. For further details on the Basis Rate Swap see Part 7.10.
Subordination Conditions	The Subordination Conditions are satisfied on a Payment Date if: (a) that Payment Date falls: (i) on or after the Determination Date that falls on or after the second anniversary of the Closing Date; and (ii) prior to the first Call Option Date; and (b) on the Determination Date immediately prior to that Payment Date: (i) the aggregate Invested Amount of the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D

	Notes, the Class E Notes and Class F Notes on that Determination Date is equal to or greater than 18% of the aggregate Invested Amount of all Notes on that Determination Date; (ii) there are no Carryover Principal Charge-Offs; and (iii) the Average Arrears Ratio on that Determination Date does not exceed 4%.
Listing	An application has been or will be made by the Manager to list the Class A Notes on the Australian Securities Exchange.

1.4 Summary – Notes

Type	The Notes are multi-class, mortgage backed, secured, limited recourse debt securities in registered form and are issued with the benefit of, and subject to, the Master Trust Deed, the Security Trust Deed, the General Security Agreement, the Issue Supplement and the Note Deed Poll.
Class of Notes	The Notes to be issued on the Closing Date will be divided into 8 classes: Class A1-A Notes, Class A1-G Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes.
Additional Notes	No further Class A1-A Notes, Class A1-G Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes may be issued after the Closing Date. The Manager may, from time to time and in certain circumstances, direct the Trustee to issue Redraw Notes.
Rating	The Class A1-A Notes, Class A1-G Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes are expected to initially have the ratings specified in Part 1.1. The ratings of the Notes should be evaluated independently from similar ratings on other types of notes or securities. A rating is not a recommendation to buy, sell or hold securities, nor does it comment as to principal prepayments, market price or the suitability of securities for particular investors. A rating may be changed, suspended or withdrawn at any time by the relevant Designated Rating Agency.
Business Day Convention	The Following Business Day Convention will apply to all dates on which payments are due to be made.
Call Option	The Trustee will, when directed by the Manager (at the Manager's option), redeem all, but not some only, of the Notes at their then Invested Amount (or their then Stated Amount, if so approved by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes), together with all accrued but unpaid interest in respect of the Notes to (but excluding) the date of redemption, on any Call Option Date. The Manager may only direct the Trustee to redeem the Notes on a Call Option Date if it gives at least 5 Business Days' notice to the Noteholders.
Early Redemption for taxation reasons	If a law requires the Trustee to withhold or deduct an amount in respect of Taxes from a payment in respect of a Note, the Manager may (at its option) direct the Trustee to redeem all (but not some only) of the Notes

by paying to the Noteholders the Redemption Amount of the Notes.

The Trustee, at the direction of the Manager, must give at least 20 Business Days' notice to the relevant Noteholders of its intention to redeem the Notes.

Form of Notes	The Offered Notes will be in uncertificated registered form and inscribed on a register maintained by the Trustee in Australia.
Austraclear	It is expected that the Offered Notes will be eligible to be lodged into the Austraclear system by registering Austraclear Limited as the holder of record, for custody in accordance with the Austraclear rules and regulations. All payments in respect of the Offered Notes lodged into Austraclear will be made to Austraclear Limited, for transfer in accordance with the Austraclear rules and regulations. All notices to Offered Noteholders will be directed to Austraclear Limited. 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 the Offered Notes so held will also be subject, inter alia, to the respective rules and regulations for accountholders of Euroclear and Clearstream.

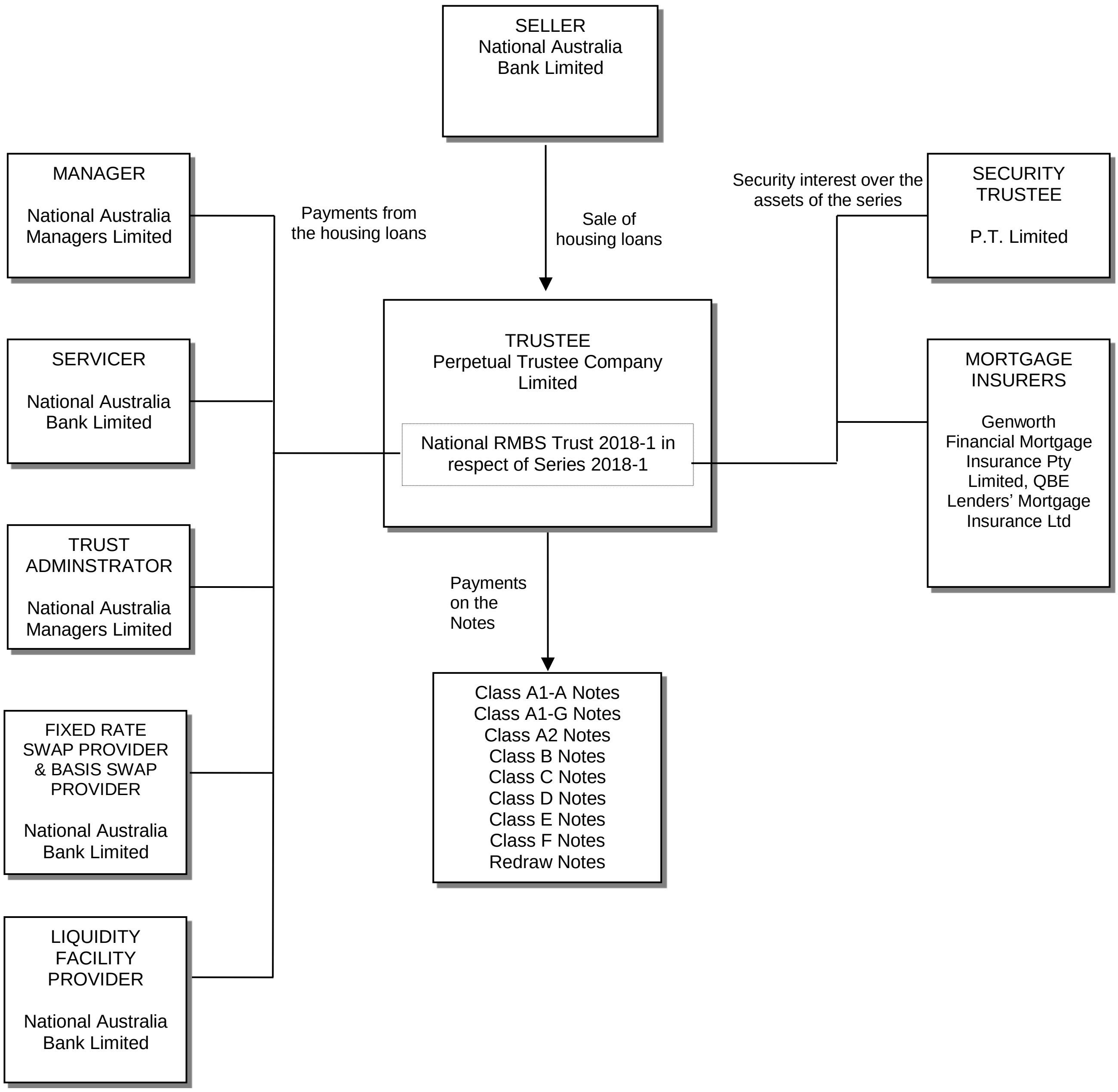
In respect of each of the Offered Notes that are lodged into the Austraclear system, Austraclear Limited will become the registered holder of those Offered Notes in the Register of Noteholders. While those Offered Notes remain in the Austraclear system:

(a) all payments and notices required of the Trustee and the Manager in relation to those Offered Notes will be directed to Austraclear Limited; and

(b) all dealings and payments in relation to those Offered Notes within the Austraclear system will be governed by the Austraclear rules and regulations; and

(c) interests in the Offered Notes may be held through Euroclear or Clearstream, Luxembourg.

1.5 Structure Diagram



1.6 Description of the Purchased Receivables

General

The Receivables which will comprise the Purchased Receivables were originated in accordance with the underwriting standards described in Part 4 of this Information Memorandum.

Each Receivable will be secured by a mortgage over related mortgaged property. Each Receivable is secured by a registered first ranking mortgage having a priority over all other mortgages granted by the relevant Obligor and over all unsecured creditors of the Obligor.

The mortgaged properties that secure the Receivables will be located in the following states and territories of Australia:

- New South Wales;
- Victoria;
- Western Australia;
- Queensland;
- South Australia;
- Tasmania;
- the Northern Territory; and
- the Australian Capital Territory.

Details of the pool of Receivables

The data set out in this Part 1.6 has been produced on the basis of the information available in respect of the indicative pool of Receivables as at the Cut-Off Date. The data provided below may not reflect the actual pool as of the Closing Date. All amounts have been rounded to the nearest Australian dollar. The sum in any column may not equal the total indicated due to rounding.

Pool Summary

Total pool size	$1,944,606,948.91
Total number of loans	7,006
Average loan size	$277,563.08
Maximum loan size	$1,358,288.75
Total property value (current)	$4,170,917,476.00
Weighted Average current LVR	57.02%
% of pool with loans > 80% LVR	5.30%
Weighted Average Term to Maturity (months)	310
Maximum Remaining Term to Maturity (months)	356
% of pool with loans >$300,000 (by number)	38.20%
% of pool with loans > $300,000 (by loan amount)	58.75%
% of pool in arrears (by loan amount):	
1-30 days	0.88%
31-60 days	0%
61+ days	0%
Total	0.88%

Characteristics of the Pool of Receivables

The pool of Receivables is described:

- by occupancy;
- by loan to valuation ratio;
- by product type;
- by geographic distribution (state);
- by geographic distribution (region);
- by loan size;
- by loan seasoning;
- by loan maturity;
- by mortgage insurer;
- by documentation type;
- by borrower rate;
- by interest only period;
- by top 10 postcodes; and
- by mortgage type.

Receivables by Loan Occupancy

Full Description	No. of Accounts	% Total No. of Loans (%)	Total Loan Balance (A$)	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
Investment	1,306	18.64	402,157,208.72	20.68	307,930.48	61.06
Owner Occupied	5,700	81.36	1,542,449,740.19	79.32	270,605.22	55.97
Total	**7,006**	**100.00%**	**$1,944,606,948.91**	**100.00%**	**$277,563.08**	**57.02%**

Receivables by Loan to Valuation Ratio

Full Description	No. of Accounts	% Total No. of Loans (%)	Total Loan Balance (A$)	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
≤ 0.00	0	0.00	0.00	0.00	0.00	0.00
>0.00 and ≤ 50.00	3,200	45.68	633,628,953.50	32.58	198,009.05	35.26
>50.00 and ≤ 55.00	580	8.28	167,145,790.99	8.60	288,182.40	52.60
>55.00 and ≤ 60.00	608	8.68	193,063,504.12	9.93	317,538.66	57.58
>60.00 and ≤ 65.00	639	9.12	205,149,245.04	10.55	321,047.33	62.58
>65.00 and ≤ 70.00	624	8.91	213,729,085.56	10.99	342,514.56	67.56
>70.00 and ≤ 75.00	468	6.68	182,012,283.53	9.36	388,915.14	72.77
>75.00 and ≤ 80.00	619	8.84	246,721,485.81	12.69	398,580.75	77.60
>80.00 and ≤ 85.00	60	0.86	22,575,488.76	1.16	376,258.15	83.19
>85.00 and ≤ 90.00	208	2.97	80,581,111.60	4.14	387,409.19	87.94
>90.00 and ≤ 95.00	0	0.00	0.00	0.00	0.00	0.00
>95.00 and ≤ 100.00	0	0.00	0.00	0.00	0.00	0.00
> 100.00	0	0.00	0.00	0.00	0.00	0.00
Total	**7,006**	**100.00%**	**$1,944,606,948.91**	**100.00%**	**$277,563.08**	**57.02%**

Receivables by Product Type

Full Description	No. of Accounts	% Total No. of Loans (%)	Total Loan Balance (A$)	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
IAD	8	0.11	2,879,649.74	0.15	359,956.22	60.16
IAR	717	10.23	258,379,548.18	13.29	360,361.99	64.05
P+I	6,281	89.65	1,683,347,750.99	86.56	268,006.33	55.94
Total	**7,006**	**100.00%**	**$1,944,606,948.91**	**100.00%**	**$277,563.08**	**57.02%**

Receivables by Geographic Distribution (State)

Full Description	No. of Accounts	% Total No. of Loans (%)	Total Loan Balance (A$)	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
ACT	109	1.56	29,659,238.66	1.53	272,103.11	53.81
NSW	2,064	29.46	640,398,680.49	32.93	310,270.68	55.03
NT	38	0.54	9,549,801.37	0.49	251,310.56	58.09
QLD	1,201	17.14	297,906,547.65	15.32	248,048.75	59.13
SA	365	5.21	82,890,365.60	4.26	227,096.89	56.92
TAS	130	1.86	27,725,569.16	1.43	213,273.61	64.01
VIC	2,555	36.47	714,642,051.16	36.75	279,703.35	58.04
WA	544	7.76	141,834,694.82	7.29	260,725.54	55.69
Total	**7,006**	**100.00%**	**$1,944,606,948.91**	**100.00%**	**$277,563.08**	**57.02%**

Receivables by Geographic Distribution (Region)

Full Description	No. of Accounts	% Total No. of Loans (%)	Total Loan Balance (A$)	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
Inner city	194	2.77	56,166,712.04	2.89	289,519.13	56.29
Metro	4,809	68.64	1,431,036,749.56	73.59	297,574.70	56.46
Non Metro	2,003	28.59	457,403,487.31	23.52	228,359.20	58.87
Total	**7,006**	**100.00%**	**$1,944,606,948.91**	**100.00%**	**$277,563.08**	**57.02%**

Receivables by Loan Size

Full Description	No. of Accounts	% Total No. of Loans (%)	Total Loan Balance (A$)	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
≤$30,000	110	1.57	2,314,265.40	0.12	21,038.78	7.56
>$30,000 and ≤$50,000	143	2.04	5,881,988.53	0.30	41,132.79	14.00
>$50,000 and ≤$100,000	511	7.29	39,418,648.73	2.03	77,140.21	23.01
>$100,000 and ≤$150,000	684	9.76	86,417,333.70	4.44	126,341.13	34.45
>$150,000 and ≤$200,000	804	11.48	142,225,280.23	7.31	176,897.11	43.91
>$200,000 and ≤$250,000	982	14.02	223,228,922.79	11.48	227,320.70	49.53
>$250,000 and ≤$300,000	1,096	15.64	302,680,852.37	15.57	276,168.66	55.41
>$300,000 and ≤$350,000	953	13.60	309,925,287.67	15.94	325,210.17	60.36
>$350,000 and ≤$400,000	715	10.21	267,339,336.61	13.75	373,901.17	61.57
>$400,000 and ≤$450,000	263	3.75	111,359,719.33	5.73	423,420.99	65.65
>$450,000 and ≤$500,000	224	3.20	106,011,654.53	5.45	473,266.31	67.27
>$500,000 and ≤$550,000	132	1.88	69,174,721.72	3.56	524,050.92	68.04
>$550,000 and ≤$600,000	120	1.71	69,051,997.09	3.55	575,433.31	65.93
>$600,000 and ≤$700,000	121	1.73	78,360,701.14	4.03	647,609.10	69.89
>$700,000 and ≤$800,000	65	0.93	48,311,951.68	2.48	743,260.80	63.66
>$800,000 and ≤$900,000	30	0.43	25,264,894.93	1.30	842,163.16	66.16
>$900,000 and ≤$1,000,000	21	0.30	19,945,669.41	1.03	949,793.78	63.66
>$1,000,000	32	0.46	37,693,723.05	1.94	1,177,928.85	65.34
Total	**7,006**	**100.00%**	**$1,944,606,948.91**	**100.00%**	**$277,563.08**	**57.02%**

Receivables by Loan Seasoning

Full Description	No. of Accounts	% Total No. of Loans (%)	Total Loan Balance (A$)	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
≤0	0	0.00	0.00	0.00	0.00	0.00
>0 and ≤ 3	0	0.00	0.00	0.00	0.00	0.00
>3 and ≤ 6	88	1.26	27,740,361.21	1.43	315,231.38	59.49
>6 and ≤ 12	1,019	14.54	300,167,315.84	15.44	294,570.48	58.62
>12 and ≤ 18	1,497	21.37	437,051,253.26	22.48	291,951.40	59.23
>18 and ≤ 24	811	11.58	244,146,534.65	12.56	301,043.82	59.91
>24 and ≤ 36	1,045	14.92	324,693,006.11	16.70	310,711.01	59.39
>36 and ≤ 48	751	10.72	206,817,016.12	10.64	275,388.84	56.75
>48 and ≤ 60	441	6.29	110,937,969.00	5.70	251,560.02	54.56
>60 and ≤ 360	1,354	19.33	293,053,492.72	15.07	216,435.37	47.94
> 360	0	0.00	0.00	0.00	0.00	0.00
Total	**7,006**	**100.00%**	**$1,944,606,948.91**	**100.00%**	**$277,563.08**	**57.02%**

Receivables by Loan Maturity

Full Description	No. of Accounts	% Total No. of Loans (%)	Total Loan Balance (A$)	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
≤0	0	0.00	0.00	0.00	0.00	0.00
>0 and ≤ 5	35	0.50	1,497,385.51	0.08	42,782.44	15.74
>5 and ≤ 10	179	2.55	16,900,616.80	0.87	94,416.85	31.07
>10 and ≤ 15	258	3.68	38,933,347.65	2.00	150,904.45	40.91
>15 and ≤ 20	666	9.51	127,697,653.89	6.57	191,738.22	46.05
>20 and ≤ 25	1,569	22.40	388,782,674.58	19.99	247,790.10	51.53
>25 and ≤ 30	4,299	61.36	1,370,795,270.48	70.49	318,863.75	60.42
>30	0	0.00	0.00	0.00	0.00	0.00
Total	**7,006**	**100.00%**	**$1,944,606,948.91**	**100.00%**	**$277,563.08**	**57.02%**

Receivables by Mortgage Insurer

Full Description	No. of Accounts	% Total No. of Loans (%)	Total Loan Balance (A$)	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
Genworth Financial	271	3.87	83,974,733.92	4.32	309,869.87	73.32
QBE	553	7.89	174,804,137.22	8.99	316,101.51	72.41
Uninsured	6,182	88.24	1,685,828,077.77	86.69	272,699.46	54.61
Total	**7,006**	**100.00%**	**$1,944,606,948.91**	**100.00%**	**$277,563.08**	**57.02%**

Receivables by Documentation Type

Full Description	No. of Accounts	% Total No. of Loans (%)	Total Loan Balance (A$)	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
Full Doc	7,006	100.00%	$1,944,606,948.91	100.00%	$277,563.08	57.02%
Total	**7,006**	**100.00%**	**$1,944,606,948.91**	**100.00%**	**$277,563.08**	**57.02%**

Receivables by Borrower Rate

Full Description	No. of Accounts	% Total No. of Loans (%)	Total Loan Balance (A$)	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
≤ 0.00	0	0.00	0.00	0.00	0.00	0.00
>0.00 and ≤ 4.00	2,316	33.06	795,340,292.20	40.90	343,411.18	58.64
>4.00 and ≤ 4.50	3,091	44.12	749,552,826.44	38.55	242,495.25	55.28
>4.50 and ≤ 5.00	1,248	17.81	311,914,601.88	16.04	249,931.57	56.46
>5.00 and ≤ 5.50	320	4.57	82,408,981.21	4.24	257,528.07	59.58
>5.50 and ≤ 6.00	28	0.40	5,003,150.17	0.26	178,683.93	53.06
>6.00 and ≤ 7.00	2	0.03	244,607.71	0.01	122,303.86	40.75
>7.00 and ≤ 8.00	0	0.00	0.00	0.00	0.00	0.00
>8.00 and ≤ 9.00	1	0.01	142,489.30	0.01	142,489.30	44.25
>9.00 and ≤ 10.00	0	0.00	0.00	0.00	0.00	0.00
> 10.00	0	0.00	0.00	0.00	0.00	0.00
Total	**7,006**	**100.00%**	**$1,944,606,948.91**	**100.00%**	**$277,563.08**	**57.02%**

Receivables by Interest Only Period

Full Description	No. of Accounts	% Total No. of Loans (%)	Total Loan Balance (A$)	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
up to and including 0 years	3	0.04	1,238,539.92	0.06	412,846.64	58.45
> 0 up to and including 1 years	111	1.58	38,126,259.71	1.96	343,479.82	63.38
> 1 up to and including 2 years	148	2.11	54,678,278.33	2.81	369,447.83	63.30
> 2 up to and including 3 years	161	2.30	59,389,532.66	3.05	368,879.08	64.85
> 3 up to and including 4 years	211	3.01	73,980,920.72	3.80	350,620.48	65.47
> 4 up to and including 5 years	73	1.04	28,119,519.44	1.45	385,198.90	62.34
> 5 up to and including 6 years	1	0.01	300,000.00	0.02	300,000.00	55.83
> 6 up to and including 7 years	7	0.10	2,235,436.14	0.11	319,348.02	58.15
> 7 up to and including 8 years	5	0.07	1,549,500.00	0.08	309,900.00	54.39
> 8 up to and including 9 years	4	0.06	1,345,200.00	0.07	336,300.00	54.82
> 9 up to and including 10 years	1	0.01	296,011.00	0.02	296,011.00	67.28
greater than 10 years	0	0.00	0.00	0.00	0.00	0.00
Total	**725**	**10.35%**	**$261,259,197.92**	**13.44%**	**$360,357.51**	**64.00%**

Receivables by Top 10 Postcodes

Full Description	No. of Accounts	% Total No. of Loans	Total Loan Balance	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
3030	73	1.04%	21,449,458.28	1.10%	293,828.20	62.75
3029	62	0.88%	16,627,049.70	0.86%	268,178.22	66.26
3977	51	0.73%	16,190,277.93	0.83%	317,456.43	70.41
2170	43	0.61%	13,209,532.74	0.68%	307,198.44	52.22
3064	46	0.66%	13,024,774.19	0.67%	283,147.27	66.34
2155	28	0.40%	11,667,143.90	0.60%	416,683.71	51.49
3023	39	0.56%	11,171,419.65	0.57%	286,446.66	57.33
3754	41	0.59%	11,069,157.31	0.57%	269,979.45	67.13
3173	23	0.33%	9,500,797.42	0.49%	413,078.15	66.42
3136	27	0.39%	9,470,863.35	0.49%	350,772.72	59.25
Total	**433**	**6.19%**	**$133,380,474.47**	**6.86%**	**$308,038.05**	**62.36%**

Receivables by Mortgage Type

Full Description	No. of Accounts	% Total No. of Loans (%)	Total Loan Balance (A$)	By Loan Balance (%)	Average Loan Balance (A$)	Weighted Avg LTV (%)
Green Mortgage	1,504	21.47	474,818,834.18	24.42	315,704.01	59.51
Non Green Mortgage	5,502	78.53	1,469,788,114.73	75.58	267,137.06	56.21
Total	**7,006**	**100.00%**	**$1,944,606,948.91**	**100.00%**	**$277,563.08**	**57.02%**

1.7 Qualifying Receivables

A Receivable referred to in an Offer to Sell given under the Sale Deed is a **Qualifying Receivable** if it satisfies the following **Eligibility Criteria** on the Closing Date for that Receivable:

(a) the Receivable is due from a Qualifying Obligor;

(b) the Receivable is repayable in Australian dollars;

(c) the Receivable is not a Low Doc Loan;

(d) the Receivable is freely capable of being dealt with by the Seller as contemplated by the Sale Deed;

(e) the Related Security in respect of the Receivable includes a mortgage which is either:

   (i) a first registered mortgage; or

   (ii) a second registered mortgage where:

      (A) there are two mortgages over the land securing the Receivable and the Seller is the first mortgagee; and

      (B) the first ranking mortgage is also being acquired by the Trustee in respect of the Series;

(f) the land subject to a Related Security has erected on it a residential dwelling which is not under construction;

(g) the Receivable is not a Defaulted Receivable as at the Cut-Off Date;

(h) the Receivable is scheduled to mature at least 1.5 years prior to the Final Maturity Date of the Notes;

(i) the Receivable and its Related Security comply in all material respects with all applicable laws (including the National Credit Code where applicable);

(j) the Receivable and its Related Security have been or will be duly stamped;

(k) the terms of the Receivable and Related Security have not been impaired, waived, altered or modified in any respect, except by a written instrument forming part of the related Title Documents;

(l) the Receivable and its Related Security are capable of enforcement in accordance with their terms against the relevant Obligor (subject to laws relating to insolvency and creditors' rights generally);

(m) the Seller is the sole legal and beneficial owner of the Receivable and Related Security and immediately prior to the assignment of the Receivable and Related Security to the Trustee, no Encumbrance exists in relation to its right, title and interests in the Receivable and Related Security;

(n) the Seller holds or is able to obtain all information, records and documents necessary to enforce the provisions of, and the security created by, the Receivable and Related Security;

(o) as at the Cut-Off Date, the Seller has not received notice from any person that claims to have an Encumbrance ranking in priority to or equal with the Receivable or Related Security;

(p) unless the interest payments in respect of the Receivable are calculated on the basis of a fixed rate, the Seller can amend the rate of interest applicable to the Receivable at its discretion by providing appropriate notice to the Obligor;

(q) the Seller is entitled to assign the Receivable and Related Security upon the terms and conditions of the Sale Deed and Offer to Sell and no consent to the assignment of the Receivable and Related Security or notice of that assignment is required to be given by or to any person including, without limitation, any Obligor to effect the assignment contemplated by the Sale Deed and Offer to Sell (or to the extent that any consent is required, such consent will have been obtained immediately prior to the assignment of the Receivable and Related Security);

(r) the assignment of the Receivable upon the terms and conditions of the Sale Deed and Offer to Sell will not be held by a court to constitute a transaction at an undervalue, a fraudulent conveyance or a voidable preference under any insolvency laws;

(s) the terms of the Receivable contain a Waiver of Set-Off;

(t) if the Obligor in respect of the Receivable is an employee of the Seller, the Receivable was originated in accordance with the Guidelines; and

(u) if the Receivable is covered by a Mortgage Insurance Policy, that Mortgage Insurance Policy is provided by an Approved Mortgage Insurer and provides for 100% cover of principal and non-default interest losses in respect of the Receivable subject to the terms and conditions of such Mortgage Insurance Policy.

1.8 Key Features of the Receivables

The Receivables are secured by registered first ranking mortgages or second ranking mortgages as contemplated by Part 1.7(e)(ii) on properties located in Australia. The Receivables were originated by NAB (either through its Proprietary Channel or its Third Party Channel). The Receivables are either fixed rate loans (but only for a limited period, generally no longer than 5 years, with the rate at the end of such period, either converting to a new fixed rate for another limited period or converting to a variable rate) or variable rate loans.

1.9 Climate Bond Certification

Certification

The Class A1-G Notes will, as at the Closing Date, be certified as Climate Bonds under the Climate Bonds Standard by the Climate Bonds Standard Board of the Climate Bonds Initiative.

Certification as a Climate Bond is neither a recommendation to buy, sell or hold securities nor a credit rating and may be subject to withdrawal at any time.

The Climate Bonds Initiative and Climate Bonds

The Climate Bonds Initiative is a not-for-profit organisation that was launched in December 2009. As part of its stated aim to promote large-scale investments that will deliver a global low-carbon economy, the Climate Bonds Initiative has developed standards for certification of certain eligible bonds. If it certifies an eligible bond under the Climate Bonds Standard, the Climate Bonds Initiative will issue a statement, which confirms the Climate Bond Certification in respect of those bonds and permits the use of the Climate Bond Certification Mark in connection with those bonds.

Before a bond can be certified, the compliance of that bond with the Climate Bonds Standard must be verified by a third party verifier (referred to as a "**Verifier**"). If a bond is certified by the Climate Bonds Standard Board as meeting the requirements of the Climate Bonds Standard it is referred to as a "Climate Bond".

The Climate Bonds Standard prescribes different requirements for different "Bond Types" of Climate Bonds, including "Securitized Bonds" which are defined by the Climate Bonds Standard to include a bond collateralized by one or more specific "Eligible Projects & Assets". This type of bond covers, for example, securitizations of mortgage loans over Australian residential properties that meet the Climate Bonds Initiative's sector-specific criteria for low carbon buildings.

Further information, including a copy of the Climate Bonds Standard, is available on the Climate Bonds Initiative's website – www.climatebonds.net. The information contained on the Climate Bonds Initiative's website is not included in, incorporated by reference into, or otherwise a part of this Information Memorandum.

Verification and certification

DNV GL Business Assurance Australia Pty Ltd, an independent verification agent, will be the Verifier for the Class A1-G Notes only (the "**Appointed Verifier**"). The Appointed Verifier has provided a pre-issuance verification statement confirming that the Class A1-G Notes meet the requirements for certification under the Climate Bonds Standard. A statement confirming the certification of the Class A1-G Notes under the Climate Bonds Standard has also been issued and, as such, the Class A1-G Notes will be, as at the Closing Date, "Climate Bonds" and "Securitized Bonds" for the purposes of the Climate Bonds Standard. Following issuance, the verification statement will be updated on an annual basis by the Appointed Verifier or a replacement approved by the Manager.

Investor reporting

Investor reporting will be provided on an annual basis regarding the use of proceeds of the Class A1-G Notes.

In addition, for so long as the Class A1-G Notes remain outstanding, the monthly investor reports prepared in respect of NRMBS 2018-1 will include stratification tables that specify the value of the Nominated Projects & Assets, as compared to the outstanding balance of the Class A1-G Notes.

Eligible Projects & Assets and Nominated Projects & Assets

Only bonds issued to fund projects and assets which qualify as "Eligible Projects & Assets" under the terms of the Climate Bonds Standard can be certified as Climate Bonds. "Eligible Projects & Assets" are projects, physical assets, or indebtedness incurred to finance physical assets that satisfy the prescribed eligibility criteria for the purposes of the Climate Bonds Standard. "Eligible Projects & Assets" are subject to sector-specific technical criteria and must be regarded as contributing to the delivery of a low carbon and climate resilient economy within the terms of the Climate Bonds Standard. The Eligible Projects & Assets with which a Climate Bond is associated are referred to as the "Nominated Projects & Assets".

The Manager expects to direct the Issuer to use the proceeds of the issuance of the Class A1-G Notes to fund the acquisition of certain Receivables from the Seller which comprise indebtedness incurred to finance mortgage loans in respect of residential properties that satisfy the Climate Bond Initiative's sector-specific criteria for low carbon buildings. In particular, it is expected that the residential properties subject to these mortgage loans will at the Closing Date satisfy the Climate Bond Initiative's July 2017 low carbon building guidance for Australian residential properties (the "**Australian Residential Guidance**"), which specifies State-based building code and other qualification requirements.

Ongoing compliance with the Climate Bonds Standard

The Class A1-G Notes will be certified as Climate Bonds under the Climate Bonds Standard in place on the date of this Information Memorandum. If the Climate Bonds Standard or the Australian Residential Guidance are amended, updated, replaced or re-issued as a new version, the Class A1-G Notes may no longer comply with the Climate Bonds Standard or the Australian Residential Guidance as so amended, updated, replaced or re-issued. The Issuer has no obligation to act so as to ensure the ongoing compliance with any such amended, updated, replaced or re-issued Climate Bonds Standard or Australian Residential Guidance.

Not a recommendation

A certification as Climate Bonds under the Climate Bonds Standard is not a recommendation to purchase, hold or sell any Class A1-G Notes. The Climate Bonds Standard is not a financial standard and is not a substitute for financial or other due diligence — the obligation to conduct this due diligence remains with the investor. The Climate Bonds Initiative does not guarantee, or otherwise stand behind, the value or performance of the Class A1-G Notes.

The certification of the Class A1-G Notes as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bonds Standard and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Class A1-G Notes or any Nominated Projects & Assets, including but not limited to the Information Memorandum, the Transaction Documents or the Issuer.

The certification of the Class A1-G Notes as Climate Bonds by the Climate Bonds Initiative was addressed solely to the Issuer and is not a recommendation to any person to purchase, hold or sell the Class A1-G Notes and such certification does not address the market price or suitability of the Class A1-G Notes for a particular investor. The certification also does not address the merits of the decision by the Manager to direct the Issuer to participate in any Nominated Projects & Assets and does not express and should not be deemed to be an expression of an opinion as to the Issuer or any aspect of any Nominated Project & Asset (including but not limited to the financial viability of the Issuer or any Nominated Project & Asset) other than with respect to compliance with the Climate Bonds Standard.

In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative by the Manager. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any Nominated Project & Asset or the Issuer. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any Nominated Project & Asset. The certification may only be used with the Class A1-G Notes and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

Climate Bond certification does not, and is not in any way intended to, address the likelihood of timely payment of interest when due on the Class A1-G Notes and/or the payment of principal of the Class A1-G Notes at the maturity or on any other date.

The CBI certification can be withdrawn at any time at the Climate Bonds Standard Board's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.

The Issuer does not, and does not intend to, make any representation or give any assurance with respect to the Climate Bonds Initiative, the Climate Bonds Standard, the Australian Residential Guidance or any Appointed Verifier. The Issuer is not responsible for any information or standard published or provided by the Climate Bonds Initiative or any verification statement or report prepared by any Appointed Verifier.

The Australian Residential Guidance uses building codes as a proxy for carbon performance. Prospective investors in the Class A1-G Notes should note that leveraging building codes for these purposes has limitations, both generally and in the context of assessing the carbon performance of any particular residential property. For example (but without limitation), qualifying building codes may only assess the design potential of a residential property and not its actual operational energy efficiency, and actual efficiency may not reflect that design potential (whether because of construction non-compliance or otherwise). The Issuer cannot and does not give any assurance in relation to the suitability of the Australian Residential Guidance for assessing carbon performance, or the actual climate-based impact of the Class A1-G Notes, of any Nominated Project & Asset, or of the Australian Residential Guidance or the Climate Bonds Standard generally.

Prospective investors in the Class A1-G Notes should also note that in no circumstances will any failure to comply with the Australian Residential Guidance or the Climate Bonds Standard, any withdrawal of the certification of the Class A1-G Notes, for any reason, or any failure to provide ongoing verification statements constitute an Event of Default or any other breach (howsoever described) of the Transaction Documents. Class A1-G Noteholders will have no right whatsoever to require early redemption of the Class A1-G Notes in these circumstances.

2 Part 2 – Risk Factors

The purchase and holding of the Notes is not free from risk. This section describes some of the principal risks associated with the Notes. It is only a summary of some particular risks. There can be no assurance that the structural protection available to Noteholders will be sufficient to ensure that a payment or distribution of a payment is made on a timely or full basis. Prospective investors should read the Transaction Documents and make their own independent investigation and seek their own independent advice as to the potential risks involved in purchasing and holding the Notes.

The Notes will only be paid from the Series Assets of the Series

The Trustee will issue the Notes in its capacity as trustee of the Trust and in respect of the Series.

The Trustee will be entitled to be indemnified out of the Series Assets of the Series for all payments of interest and principal in respect of the Notes.

A Noteholder's recourse against the Trustee with respect to the Notes is limited to the amount by which the Trustee is indemnified from the Series Assets of the Series. Except in the case of, and to the extent that a liability is not satisfied because the Trustee's right of indemnification out of the Series Assets of the Series is reduced as a result of, fraud, negligence or wilful default of the Trustee, no rights may be enforced against the Trustee by any person and no proceedings may be brought against the Trustee except to the extent of the Trustee's right of indemnity and reimbursement out of the Series Assets of the Series. Except in those limited circumstances, the assets of the Trustee in its personal capacity are not available to meet payments of interest or principal in respect of the Notes.

If the Trustee is denied indemnification from the Series Assets of the Series, the Security Trustee will be entitled to enforce the General Security Agreement in respect of the Series and apply the Series Assets of the Series which are granted in favour of the Security Trustee for the benefit of the Secured Creditors of the Series (which includes the relevant Noteholders). The Security Trustee may incur costs in enforcing the General Security Agreement, with respect to which the Security Trustee will be entitled to indemnification. Any such indemnification will reduce the amounts available to pay interest on, and repay principal of, the Notes.

The Series Assets are limited

The Series Assets of the Series consist primarily of the Purchased Receivables.

If the Series Assets of the Series are not sufficient to make payments of interest or principal in respect of the Notes in accordance with the Cashflow Allocation Methodology, then payments to Noteholders will be reduced.

Accordingly the failure by Obligors to make payments on the Purchased Receivables when due may result in the Trustee having insufficient funds available to it to make full payments of interest and principal to the Noteholders. Consequently, the yield on the Notes could be lower than expected and Noteholders could suffer losses.

Breach of Representation or Warranty

The Seller will make certain representations and warranties to the Trustee in relation to the Purchased Receivables to be assigned to the Trustee from the Seller. The Trustee has not investigated or made any enquiries regarding the accuracy of those representations and warranties. The Seller has agreed to repurchase any Purchased

Receivable sold by the Seller to the Trustee in respect of which it is discovered within the Prescribed Period by the Seller or the Trustee that any one of the representations and warranties given by the Seller was materially incorrect and notice of such discovery is given to the Seller or the Trustee (as applicable) not later than 5 Business Days prior to the last day of the Prescribed Period (and the Seller does not remedy the breach to the satisfaction of the Trustee within 5 Business Days of the Seller giving or receiving the notice (as applicable)). If a representation and warranty was found by the Seller or the Trustee to be incorrect after the last day on which a notice can be given, the Seller has agreed to pay damages to the Trustee for any direct loss incurred by the Trustee as a result. However, the amount of such loss or costs cannot exceed the principal outstanding amount plus any accrued but unpaid interest in respect of the Purchased Receivables. Besides these two remedies, there is no other express remedy available to the Trustee in respect of a breach of the representations and warranties given in respect of the Purchased Receivables.

Investors may not be able to sell the Notes

The Lead Manager is not required to assist the Noteholders in reselling the Notes. Although application has been or will be made to list the Class A Notes on the Australian Securities Exchange, there is no assurance that a secondary market in the Notes will develop, or, if one does develop, that it will provide liquidity of investment or will continue for the life of the Notes.

Over the past several years, major disruptions in the global financial markets have caused a significant reduction in liquidity in the secondary market for asset-backed securities. While there has been some improvement in conditions in the global financial markets and the secondary markets, there can be no assurance that future events will not occur that could have an adverse effect on secondary market liquidity for asset-backed securities. If illiquidity of investment increases for any reason, including as described above, it could adversely affect the market value of the Notes and/or limit the ability to resell the Notes.

No assurance can be given that it will be possible to effect a sale of the Notes, nor can any assurance be given that, if a sale takes place, it will not be at a discount to the acquisition price or the Invested Amount of the Notes.

Consumer protection laws may affect the timing or amount of interest and principal payment on the Notes

National Consumer Credit Protection Act

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

The Credit Code applies (with some limited exceptions) to the Purchased Receivables that had previously been regulated under the Consumer Credit Code and also to all new consumer loans made after 1 July 2010.

The NCCP Act incorporates a requirement for providers of credit related services to hold an "Australian credit licence", and to comply with "responsible lending" requirements, including undertaking a mandatory "unsuitability assessment" before a loan is made or there is an agreed increase in the amount of credit under a loan.

The responsible lending obligations under the NCCP Act are broadly expressed. In recent years, there has been a number of Federal Court decisions, regulatory guidance from ASIC and action which ASIC has taken against licensees, including issuing infringement notices. The practical effect of these developments, among other things, is that the interpretation of, and guidance in relation to, these obligations can change, particularly in respect of whether a credit licensee has taken sufficient steps to comply with its responsible lending obligations.

Obligations under the NCCP Act extend to the Trustee and its service providers (including the Servicer) in respect of the Purchased Receivables.

Under the terms of the Credit Code 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 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 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 Series Assets of the Series. Any such indemnification may reduce the amounts available to pay interest and repay principal in respect of the Notes.

Under the Credit Code and the NCCP Act, an Obligor in respect of a Purchased Receivable may have the right to apply to a court to, among other things:

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

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

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

(d) vary the terms of their Purchased Receivable on the grounds of hardship or that it is an unjust contract;

(e) reduce or cancel any interest rate payable on the Purchased Receivable which is unconscionable;

(f) declare that all or certain provisions of a Loan or Related Security which are in breach of the relevant Consumer Credit Legislation are void or unenforceable from the time it was entered or at all time on and after a specified day before the order is made;

(g) impose a civil penalty for contraventions of certain disclosure obligations;

(h) obtain restitution or compensation from the Trustee in relation to any breach of the Credit Code; or

(i) have a criminal penalty imposed for contravention of specified provisions of the legislation.

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 an external dispute resolution scheme, which has power to resolve disputes where the amount in dispute is $500,000 or less.

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

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

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

Any order made under any of the above consumer credit laws may affect the timing or amount of principal repayments under the relevant Purchased Receivables which may in turn affect the timing or amount of interest and principal payments under the Notes.

Unfair Terms

On 1 July 2010, the Trade Practices Amendment (Australian Consumer Law) Act (No.1) 2010 ("**UCT Law**") commenced. The UCT Law introduces a national unfair terms regime whereby a term of a standard-form consumer contract or (from 12 November 2016) a small business contract will be unfair, and therefore void, if it causes a significant imbalance in the parties' rights and obligations under the contract, is not reasonably necessary to protect the supplier's legitimate interests and it would cause financial or non-financial detriment to a party if it was relied on. The UCT Law will apply to a term of the Purchased Receivables to the extent that those contracts are renewed, or the term is varied, after commencement of the UCT Law.

Also on 1 July 2010, Victoria amended its unfair terms regime (contained in Part 2B of the Fair Trading Act 1999 (Vic)) to follow the wording in the Commonwealth's UCT Law. Victoria's unfair terms regime had applied to certain receivables since 10 June 2009.

Any finding that a term of a Purchased Receivable is unfair and therefore void may, depending on the relevant term, affect the timing or amount of principal repayments under the relevant Purchased Receivables which may in turn affect the timing or amount of interest and principal payments under the Notes.

There is no way to predict the actual rate and timing of principal payments on the Notes

Whilst the Trustee is obliged to repay the Notes by the Final Maturity Date, principal on the Notes may be passed through to Noteholders on each Payment Date from the Principal Collections and such amount will reduce the principal balance of such Notes. However, there is no guarantee as to the rate at which principal will be passed through to Noteholders. Accordingly, the actual date by which Notes are repaid cannot be precisely determined.

For example, Principal Collections will be used:

(a) to fund payment delinquencies (in the form of Principal Draws, if any); and

(b) to fund Redraws and to repay any Redraw Notes issued by the Trustee.

The utilisation of Principal Collections for these purposes will slow the rate at which principal will be passed through to Noteholders.

The timing and amount of principal which will be passed through to Noteholders of Notes will be affected by the rate at which the Purchased Receivables repay or prepay principal, which may be influenced by a range of economic, social and other factors including:

(a) the level of interest rates applicable to the Purchased Receivables relative to prevailing interest rates in the market;

(b) the delinquencies and default rate of Obligors under the Purchased Receivables;

(c) demographic and social factors such as unemployment, death, divorce and changes in employment of Obligors;

(d) the rate at which Obligors sell or refinance their properties;

(e) the degree of seasoning of the Purchased Receivables; and

(f) the loan-to-valuation ratio of the Obligors' properties at the time of origination of the relevant Purchased Receivables.

The Noteholders may receive repayments of principal on the Notes earlier or later than would otherwise have been the case or may not receive repayments of principal at all.

Other factors which could result in early repayment of principal to Noteholders of Notes include:

(a) receipt by the Trustee of enforcement proceeds due to an Obligor having defaulted on its Purchased Receivable;

(b) exercise of the Call Option on a Call Option Date; or

(c) receipt of proceeds of enforcement of the General Security Agreement prior to the Final Maturity Date of the Notes.

Reinvestment risk on payments received during a Collection Period

If a prepayment is received on a Purchased Receivable during a Collection Period, then to the extent it is not applied towards funding Redraws where permitted at any time, then interest will cease to accrue on that part of the Purchased Receivable prepaid from the date of the prepayment. Collections remitted by the Servicer into the Collection

Account may earn interest at a rate less than the then rate on the Purchased Receivables.

Interest will, however, continue to be payable in respect of the Invested Amount of the Notes until the next Payment Date. Accordingly, this may affect the ability of the Trustee to pay interest in full on the Notes. The Trustee has access to Principal Draws and the amount available under the Liquidity Facility to finance such shortfalls in interest payments to the Noteholders of the Notes.

Receivable pool characteristics

If the Trustee makes any Redraws then:

(a) the characteristics of the pool of Purchased Receivables may be altered; and

(b) the estimated average lives of the Notes may be altered.

The failure to pay by an Obligor or a transaction party may affect the timing or amount of payments due on the Notes

The Trustee's ability to pay interest and to repay principal in respect of the Notes is limited to the Total Available Income and Principal Collections which are available for that purpose. Accordingly:

(a) the failure by Obligors to make payments on the Purchased Receivables when due; and/or

(b) the failure in performance of relevant counterparties under the Liquidity Facility, each Mortgage Insurance Policy, the Fixed Rate Swap or the Basis Swap,

may result in the Trustee having insufficient funds available to it to make full payments of interest and principal to the Noteholders.

The geographic concentration of Purchased Receivables may affect the amount that can be realised on the sale of the portfolio

Part 1.6 ("Description of the Purchased Receivables") contains details of the geographic concentration of the Purchased Receivables pool.

To the extent that any such region experiences weaker economic conditions in the future, this may increase the likelihood of Obligors with Purchased Receivables in that region missing scheduled instalments or defaulting on those Purchased Receivables. In such circumstances, the values of properties in that region may also fall, leading to the possibility of a loss in the event of enforcement.

None of the Trustee, the Manager, the Trust Administrator or the Servicer can quantify whether there has been a decline in the value of properties since the settlement of the Purchased Receivables or the extent to which there may be a decline in the value of properties in the future.

Seasoning of Purchased Receivables

Part 1.6 ("Description of the Purchased Receivables") contains details of the seasoning of the Purchased Receivables pool as at the Cut-Off Date.

As of the Closing Date, some of the Purchased Receivables may not be fully seasoned and may display different characteristics until they are fully seasoned. As a result, the Purchased Receivables may experience higher rates of defaults than if the Purchased Receivables had been outstanding for a longer period of time.

The redemption of the Notes on a Call Option Date may affect the

There is no assurance that the Series Assets of the Series will be sufficient to redeem the Notes on a Call Option Date or that the Manager will exercise its discretion and direct the Trustee to redeem the Notes on

return on the Notes

a Call Option Date.

The Manager has the right under the Issue Supplement to direct the Trustee to sell all (but not some only) of the Purchased Receivables to the Seller in order to raise funds to redeem the Notes on a Call Option Date. However, there is no guarantee that the Purchased Receivables will be able to be sold in order to raise sufficient funds to redeem the Notes on a Call Option Date.

Termination of appointment of the Manager or the Servicer may affect the collection of the Purchased Receivables

The appointment of each of the Manager and the Servicer may be terminated in certain circumstances (including by resignation of such party). If the appointment of the Servicer or the Manager is terminated, another entity must be appointed to perform the relevant role for the Series.

The retirement or removal of the Manager or the Servicer will only take effect once a substitute has been appointed and has agreed to be bound by the Transaction Documents. There is no guarantee that such a substitute will be found or that the substitute will be able to perform its duties with the same level of skill and competence as any previous Manager or Servicer (as the case may be).

If a substitute Servicer is not appointed, the Trustee must act as the substitute Servicer, and will continue to act in this capacity until a suitable substitute Servicer is found.

Nature of Security

Under the General Security Agreement, the Trustee grants a security interest over all the Series Assets in favour of the Security Trustee to secure the payment of monies owing to the Secured Creditors, including, among others, the Noteholders, the Security Trustee and the Manager.

The security interest is a charge. If for any reason it is necessary to determine the nature of the charge, it is a floating charge over Revolving Assets and a fixed charge over all other Collateral.

The Trustee may not create or allow another interest in any Collateral other than any Permitted Encumbrance or dispose, or part with possession, of any Collateral. However, the Trustee may do any of the following in the ordinary course of the Trustee's ordinary business unless it is prohibited from doing so by any Transaction Document:

- dispose or part with possession of, any Collateral which is a Revolving Asset; and
- withdraw or transfer money from an account with a bank or other financial institution.

If a Control Event occurs in respect of any Collateral then automatically:

- that Collateral ceases to be a Revolving Asset; and
- any floating charge over that Collateral immediately operates as a fixed charge; and
- the Trustee may no longer deal with the Collateral.

The security interest over Revolving Assets is a circulating security interest. A circulating security interest is treated under the Corporations

Act in substantially the same way as a floating charge. This means that it will rank behind Corporations Act preferred creditor claims (for example, certain employee entitlements, auditor's fees and administrator's indemnity for costs) and may be void as against a liquidator in certain circumstances under Corporations Act s588FJ.

To the extent that the Series Assets are "personal property" as defined in the PPSA, the security interest takes effect either as:

(a) security interests over "circulating assets": this type of security interest does not attach to specific assets. Instead, the assets may circulate, changing from time to time, allowing the Trustee to deal with those assets and to give third party title to those assets free from any encumbrance. The restrictions in relation to circulating assets generally allow the Trustee to continue to deal with these assets in the ordinary course of its business unless it is prohibited from doing so by another provision in a Transaction Documents in relation to the Series or with the Security Trustee's consent; or

(b) security interests in relation to "restricted assets" (which generally relate to assets including real property, marketable securities and other assets which will not be dealt with by the Trustee in the ordinary course of its business): this type of security attaches to specific assets of the Series. The restrictions in relation to restricted assets generally prevent the Trustee from dealing with these assets (including for example, the Trustee will not be allowed to dispose of these assets, or change the nature of the collateral or vary any interest in the collateral) otherwise than as permitted by the Transaction Documents or with the Security Trustee's consent. Circulating assets become restricted assets (so that the Trustee ceases to have the ability to deal with the assets as described above) upon the Security Trustee notifying the Trustee that it may not do so. The Security Trustee may only give this notice in the circumstances specified in the General Security Agreement.

To the extent that the General Security Agreement grants security interests in respect of Collateral to which the PPSA does not apply ("**Non-PPSA Collateral**"), the security interests operate as a fixed charge over Collateral which is a restricted asset and a floating charge over Collateral which is a circulating asset. On the occurrence of certain events, the floating charge may take effect as a fixed charge. If the Trustee grants a fixed security over any of the Series Assets that are Non-PPSA Collateral, those assets may not be dealt with by the Trustee without the consent of the Security Trustee. In this way, the security is said to "fix" over the specific assets.

Unlike fixed charges, floating charges do not attach to specific assets but instead "float" over a class of Non-PPSA Collateral which may change from time to time, allowing the Trustee to deal with those assets in the ordinary course of its business and as permitted by the Transaction Documents and to give third party title to those assets free from any encumbrance.

Ratings on the Notes

The ratings of the Notes entail substantial risks and may be unreliable as an indication of the creditworthiness of the Notes. The Manager hired Moody's and Fitch to rate the Offered Notes. The credit ratings of the Offered Notes should be evaluated independently from similar ratings on other types of notes or securities. A credit rating by a Designated Rating

Agency is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, qualification or withdrawal at any time by the relevant Designated Rating Agency.

A revision, suspension, qualification or withdrawal of the credit rating of the Offered Notes may adversely affect the price of the Offered Notes. In addition, the credit ratings of the Offered Notes do not address the expected timing of principal repayments under the Offered Notes, only the likelihood that principal will be received no later than the Final Maturity Date.

Neither the Manager nor any other person or entity will have any duty to notify you if any such other rating organisation issues, or delivers notice of its intention to issue, unsolicited ratings on one or more classes of Offered Notes after the date of this Information Memorandum. In no event will ratings confirmation from any such other rating organisation be a condition to any action, or the exercise of any right, power or privilege by any person or entity, under the Transaction Documents.

No Designated Rating Agency has been involved in the preparation of this Information Memorandum.

Investment in the Notes may not be suitable for all investors

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

Mortgage-backed securities, like the Notes, usually produce more returns of principal to investors when market interest rates fall below the interest rates on the Purchased Receivables and produce less returns of principal when market interest rates rise above the interest rates on the Purchased Receivables. If Obligors refinance their Purchased Receivables as a result of lower interest rates, Noteholders may receive an unanticipated payment of principal. As a result, Noteholders are likely to receive more money to reinvest at a time when other investments generally are producing a lower yield than that on the Notes and are likely to receive less money to reinvest when other investments generally are producing a higher yield than that on the Notes. Noteholders will bear the risk that the timing and amount of payments on the Notes will prevent them from attaining the desired yield.

The yield to maturity on the Notes is uncertain and may be affected by many factors

The pre-tax yield to maturity on the Notes is uncertain and will depend on a number of factors. One such factor is the uncertain rate of return of principal. The amount of payments of principal on the Notes and the time when those payments are received depend on the amount and the times at which Obligors make principal payments on the Purchased Receivables. The principal payments may be regular scheduled payments or unscheduled payments resulting from prepayments of the Purchased Receivables.

You face an additional possibility of loss because the Trustee does not hold legal title to the Purchased Receivables

The Purchased Receivables will initially be assigned by the Seller to the Trustee in equity. If a Title Perfection Event has occurred, the Trustee may take certain steps to protect or perfect the Trustee's interest in and title to the Purchased Receivables and Related Security, including giving notice of the Trustee's interest in and title to the Purchased Receivables to the Obligors.

Until such time as a Title Perfection Event has occurred, the Trustee must not take any steps to perfect legal title and, in particular, it will not notify any Obligor of its interest in the Purchased Receivables.

The consequences of the Trustee not holding legal title in the Purchased Receivables include:

(a) until an Obligor has notice of the Trustee's interest in the Purchased Receivables, such person is not bound to make payment to anyone other than the Seller, and can obtain a valid discharge from the Seller;

(b) rights of set-off or counterclaim may accrue in favour of the Obligor against its obligations under the Purchased Receivables which may result in the Trustee receiving less money than expected from the Purchased Receivables;

(c) the Trustee's interest in those Purchased Receivables 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; and

(d) the Seller may need to be a party to certain legal proceedings against any Obligor in relation to the enforcement of those Purchased Receivables.

The Servicer may commingle collections on the Purchased Receivables with their assets

Before the Servicer remits Collections to the Collection Account, the Collections may be commingled with the assets of the Servicer. If 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 Purchased Receivables, delays in receiving the Collections, or losses to you.

If the Servicer has a credit rating from each Designated Rating Agency which is at least equal to the Required Credit Rating, the Servicer is required to remit all Collections to the Collections Account on the Payment Date immediately following the relevant Collection Period. However, if the Servicer does not have a credit rating from each Designated Rating Agency which is at least equal to the Required Credit Rating, the Servicer is required to remit all Collections to the Collections Account within 1 Business Day of receipt.

Losses and delinquent payments on the Purchased Receivables may affect the return on the Notes

There can be no assurance that delinquency and default rates affecting the Purchased Receivables will remain in the future at levels corresponding to historic rates for assets similar to the Purchased Receivables. In particular, a downturn in the Australian economy, an increase in unemployment, a fall in real property values, increases in interest rates or any combination of these factors, may increase delinquencies or losses on the Purchased Receivables which might cause losses on the Notes.

If Obligors fail to make payments of interest and principal under the Purchased Receivables when due and the credit enhancement described in this Information Memorandum is not enough to protect the Notes from the Obligors' failure to pay, then the Trustee may not have enough funds to make full payments of interest and principal due on the Notes.

Consequently, the yield on the Notes could be lower than you expect and you could suffer losses.

Redraw drawings will be paid before the Notes	Unreimbursed Redraws will rank ahead of repayment of the other Notes with respect to payment of principal both prior to and after the occurrence of an Event of Default and enforcement of the General Security Agreement and a Noteholder may not receive full repayment of principal on the other Notes.
The termination of any of the swap agreements may subject you to losses from interest rate fluctuations	The Trustee will exchange the interest payments from the fixed-rate Purchased Receivables for variable rate payments, on a monthly basis, based upon the Bank Bill Rate plus a margin. If the Fixed Rate Swap is terminated or the Fixed Rate Swap Provider fails to perform its obligations, the Noteholders will be exposed to the risk that the floating rate of interest payable on the Notes will be greater than the fixed rate set by the Servicer on the fixed rate Purchased Receivables, 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 Purchased Receivables for variable rate payments, on a monthly basis, based upon the Bank Bill Rate plus a margin. If the Basis Swap is terminated, the Manager will direct the Servicer to set the weighted average interest rate on the variable Purchased Receivables to at least the Threshold Rate. If the rates on the variable rate Purchased Receivables are set above the market interest rate for similar variable-rate Purchased Receivables, the affected Obligors will have an incentive to refinance their loans with another institution, which may lead to higher rates of principal prepayment than the Noteholders initially expected, which will affect the yield on the Notes. If the Fixed Rate Swap or the Basis Swap terminates before its scheduled termination date, a termination payment by either the Trustee or the Fixed Rate Swap Provider or the Basis Swap Provider (as applicable) may be payable. A termination payment could be substantial. Prior to an Event of Default and enforcement of the General Security Agreement, any termination payment owing by the Trustee to the Fixed Rate Swap Provider or the Basis Swap Provider (as applicable) will be payable out of the Series Assets of the Series and will have a higher priority than payments of interest on the Notes, unless: (a) the swap is terminated following a default by, or termination event relating to, the Fixed Rate Swap Provider or the Basis Swap Provider (as applicable) under the relevant swap; or (b) (in the case of the Fixed Rate Swap) the Trustee has not received the corresponding amount under the Purchased Receivable, the prepayment of which gave rise to the termination of the Fixed Rate Swap. Therefore, if the Trustee makes a termination payment in these circumstances, there may not be sufficient funds remaining to pay interest on the Notes on the next Payment Date, and the principal on the Notes may not be repaid in full.
If the Manager directs the Trustee to redeem the Notes, you could suffer losses and the yield on your Notes could be lower than expected	If the Manager directs the Trustee to redeem the Notes earlier than the Final Maturity Date and Principal Charge-Offs have occurred, the Noteholders may by Extraordinary Resolution consent to receiving an amount equal to the outstanding Invested Amount of the Notes, less Principal Charge-Offs, plus accrued interest. As a result, the Noteholders may not fully recover their investment. In addition, such early redemption will shorten the average lives of the Notes and potentially lower the yield on the Notes.

NAB's ability to set the interest rate on variable-rate Purchased Receivables may lead to increased delinquencies or prepayments

The interest rates on the variable-rate Purchased Receivables are not tied to an objective interest rate index, but are set at the sole discretion of the Servicer. If the Servicer increases the interest rates on the variable-rate Purchased Receivables, Obligors may be unable to make their required payments under the Purchased Receivables, and accordingly, may become delinquent or may default on their payments. In addition, if the interest rates are raised above market interest rates, Obligors may refinance their loans with another lender to obtain a lower interest rate. This could cause higher rates of principal prepayment than the Noteholders expected and affect the yield on the Notes.

The use of Principal Collections or a draw upon the Liquidity Facility to cover Liquidity Shortfalls may lead to principal losses

If Principal Collections or the Liquidity Facility are drawn upon to cover shortfalls in interest collections, and there is insufficient excess interest collections in succeeding monthly collection periods to repay those Principal Draws or Liquidity Drawings (as the case may be), the Noteholders may not receive full repayment of principal on the Notes.

Noteholders will not receive physical Notes representing their Notes, which can cause delays in receiving distributions and hamper their ability to pledge or resell the Notes

A Noteholder's registered ownership of the Notes will be registered electronically through Austraclear. The Noteholders will not receive physical Notes, except in limited circumstances. The lack of physical certificates could:

(a) cause Noteholders to experience delays in receiving payments on the Notes because the Trustee will be sending distributions on the Notes to Austraclear instead of directly to the Noteholders;

(b) limit or prevent Noteholders from using their Notes as collateral; and

(c) hinder Noteholder's ability to resell the Notes or reduce the price that Noteholders receive for them.

Losses in excess of the protection afforded by the Mortgage Insurance Policies, excess Total Available Income, the Loss Allocation Reserve Account and the subordination of the subordinate class of notes will result in losses on the Offered Notes

The amount of credit enhancement provided through the Mortgage Insurance Policies, excess Total Available Income, the Loss Allocation Reserve Account and the subordination of:

- the Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes to the Class A Notes;
- the Class C Notes, Class D Notes, Class E Notes and Class F Notes to the Class B Notes;
- the Class D Notes, Class E Notes and Class F Notes to the Class C Notes;
- the Class E Notes and Class F Notes to the Class D Notes; and
- the Class F Notes to the Class E Notes,

is limited and could be depleted prior to the payment in full of the relevant Class of Notes.

If the Mortgage Insurance Policies do not provide coverage for all losses incurred in respect of a Purchased Receivable, if the Loss Allocation Reserve Draw is insufficient or there is insufficient excess Total Available Income, to make the Trustee whole in respect of any such losses, or if:

- the aggregate Invested Amount of the Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes is reduced to zero, the Class A Noteholders may suffer losses on the Class A Notes;

- the aggregate Invested Amount of the Class C Notes, Class D Notes, Class E Notes and Class F Notes is reduced to zero, the Class B Noteholders may suffer losses on the Class B Notes;
- the aggregate Invested Amount of the Class D Notes, Class E Notes and Class F Notes is reduced to zero, the Class C Noteholders may suffer losses on the Class C Notes;
- the aggregate Invested Amount of the Class E Notes and Class F Notes is reduced to zero, the Class D Noteholders may suffer losses on the Class D Notes; and
- the aggregate Invested Amount of the Class F Notes is reduced to zero, the Class E Noteholders may suffer losses on the Class E Notes.

Voting Secured Creditors must act to effect enforcement of the General Security Agreement

If an Event of Default occurs and is continuing, the Security Trustee must convene a meeting of the Secured Creditors to obtain directions as to what actions the Security Trustee is to take under the General Security Agreement and the Security Trust Deed. Any meeting of Secured Creditors will be held in accordance with the terms of the Security Trust Deed. However, only the Voting Secured Creditors are entitled to vote at a meeting of Secured Creditors or to otherwise direct or give instructions or approvals to the Security Trustee in accordance with the Transaction Documents.

Accordingly, if the Voting Secured Creditors have not directed the Security Trustee to do so, enforcement of the General Security Agreement will not occur, other than where in the opinion of the Security Trustee, the delay required to obtain instructions from the Voting Secured Creditors would be materially prejudicial to the interests of those Voting Secured Creditors and the Security Trustee has determined to take action (which may include enforcement) without instructions from them.

If at any time there is a conflict between a duty the Security Trustee owes to a Secured Creditor, or a class of Secured Creditor, of the Series and a duty the Security Trustee owes to another Secured Creditor, or class of Secured Creditor, of the Series, the Security Trustee must give priority to the duties owing to the Voting Secured Creditors.

The enforcement of the security over the Purchased Receivables may result in a shortfall on payments due on the Notes

If an Event of Default occurs while any Notes are outstanding, the Security Trustee may and, if directed to do so by an Extraordinary Resolution of Voting Secured Creditors, must, declare all amounts outstanding under the Notes immediately due and payable and enforce the General Security Agreement in accordance with its terms and the Security Trust Deed. That enforcement may include the sale of the Series Assets of the Series.

No assurance can be given that the Security Trustee will be in a position to sell the Series Assets of the Series for an amount equal to the then outstanding amount under the Purchased Receivables.

Accordingly, the Security Trustee may not be able to realise the full value of the underlying Purchased Receivables. The Trustee, the Security Trustee, the Basis Swap Provider, the Fixed Rate Swap Provider and Liquidity Facility Provider will generally be entitled to receive the proceeds of any sale of the Series Assets of the Series, to the extent they are owed fees and expenses, before the Noteholders. Consequently, the proceeds from the sale of the Series Assets of the Series after an Event of Default may be insufficient to pay principal and interest due on the Notes in full.

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 Secured Creditors and this may have an impact upon the Trustee's ability to repay all amounts outstanding in relation to the Notes.

Neither the Security Trustee nor the Trustee will have any liability to the Secured Creditors in respect of any such deficiency (except in the limited circumstances described in the Master Trust Deed, the Security Trust Deed and the General Security Agreement).

The Servicer's ability to change the feature of the Purchased Receivables may affect the payment on the Notes

The Servicer may initiate certain changes to the Purchased Receivables. Most frequently, the Servicer will change the interest rate applying to a Purchased Receivable. In addition, subject to certain conditions, the Servicer may from time to time offer additional features and/or products with respect to the Purchased Receivables which are not described in this Information Memorandum.

As a result of such changes, the characteristics of the Purchased Receivables may differ from the characteristics of the Purchased Receivables at any other time which may affect the timing and amount of payments the Noteholders receive. If the Servicer elects to change certain features of the Purchased Receivables this could result in different rates of principal repayment on the Notes than initially anticipated and Obligors may elect to refinance their loan with another lender to obtain more favourable features.

The refinancing of Purchased Receivables could cause the Noteholders to experience higher rates of principal prepayment than expected, which will affect the yield on the Notes.

The Manager is responsible for this Information Memorandum

Except in respect of certain limited information, the Manager takes responsibility for the Information Memorandum, not the Trustee. As a result, in the event that a person suffers loss due to any information contained in this Information Memorandum being inaccurate or misleading, or omitting a material matter or thing, that person will not have recourse to the Trustee or the Series Assets of the Series.

A limited number of Purchased Receivables have mortgage insurance policies, and those mortgage insurance policies may not be available to cover losses on the applicable Purchased Receivables

Mortgage insurance policies cover approximately 13.31% of the Purchased Receivables pool (by loan balance as at the Cut-Off Date). The mortgage insurance policies are subject to some exclusions from coverage and rights of termination that may allow that Approved Mortgage Insurer to reduce a claim or terminate mortgage insurance cover in respect of a Purchased Receivable in certain circumstances which are described in Part 7.12 ("Mortgage Insurance"). Any such reduction or termination may affect the ability of the Trustee to pay principal and interest on the Notes.

Furthermore, QBE Lenders' Mortgage Insurance Limited is acting as a mortgage insurance provider with respect to approximately 8.99% of the Purchased Receivables pool (by loan balance as at the Cut-Off Date) and Genworth Financial Mortgage Insurance Pty Limited is acting as a mortgage insurance provider with respect to approximately 4.32% of the Purchased Receivables pool (by loan balance as at the Cut-Off Date). The availability of funds under these mortgage insurance policies will ultimately be dependent on the financial strength of these entities.

Therefore, an Obligor's payments that are expected to be covered by the mortgage insurance policies may not be covered because of these exclusions or because of financial difficulties impeding the mortgage insurer's ability to perform its obligations. There is no guarantee that an

Approved Mortgage Insurer will promptly make payment under any Mortgage Insurance Policy or that the Approved Mortgage Insurer will have the necessary financial capacity to make any such payment at the relevant time.

As well, the rating of the Notes may be adversely affected in the event that an Approved Mortgage Insurer is downgraded by either Designated Rating Agency.

Substantial delays could be encountered in connection with the enforcement of a Purchased Receivable or Related Security and result in shortfalls in distributions to Noteholders to the extent not covered by a Mortgage Insurance Policy or if the relevant Approved Mortgage Insurer fails to perform its obligations. Further, Enforcement Expenses such as legal fees, real estate taxes and maintenance and preservation expenses (to the extent not covered by a Mortgage Insurance Policy) will reduce the net amounts recoverable by the Trustee from an enforced Receivable or Related Security.

In addition, if a Purchased Receivable does not have a mortgage insurance policy, payments that would otherwise be covered if the Purchased Receivable had mortgage insurance will not be covered. If such circumstances arise the Trustee may not have enough money to make timely and full payments of principal and interest on the Notes.

In the event that any of the properties fail to provide adequate security for the relevant Purchased Receivable, Noteholders could experience a loss to the extent the loss was not covered by a Mortgage Insurance Policy or if the relevant Mortgage Insurer failed to perform its obligations under the relevant Mortgage Insurance Policy.

Australian Taxation

A summary of certain material tax issues is set out in Part 8.1.

The imposition of a withholding tax will reduce payments to Noteholders and may lead to an early redemption of the Notes

If a withholding tax is imposed on payments of interest on the Notes, the Noteholders will not be entitled to receive additional amounts to compensate for such withholding tax. Thus, the Noteholders will receive less interest than is scheduled to be paid on the Notes. If an optional redemption of the Notes affected by a withholding tax is exercised, the Noteholders may not be able to reinvest the redemption payments at a comparable interest rate.

The availability of support facilities regarding payment on the Notes will ultimately depend on the financial condition of NAB (or any replacement service provider); NAB and its affiliates will be subject to conflicts of interest

NAB is acting in the capacities of Liquidity Facility Provider, Fixed Rate Swap Provider and Basis Swap Provider with respect to the Notes. In certain circumstances NAB may resign or be removed from acting in such capacities. Accordingly, the availability of these various support facilities with respect to the Notes will ultimately be dependent on the financial strength of NAB (or any replacement facility providers). There are however provisions in the Liquidity Facility Agreement, Fixed Rate Swap and the Basis Swap that provide for the replacement of NAB in its capacities as Liquidity Facility Provider, Fixed Rate Swap Provider and Basis Swap Provider with respect to the Notes following certain rating agency downgrades and other events. If NAB (or any replacement facility provider) encounters financial difficulties which impede or prohibit the performance of its obligations under the various support facilities, the Trustee may not have sufficient funds to timely pay the full amount of principal and interest due on the Notes.

Various potential and actual conflicts of interest may arise from the activities and conduct of NAB and its affiliates.

Payment holidays may result in Investors not receiving their full interest payments

In respect of certain Purchased Receivables, if an Obligor prepays principal on his or her loan, the Servicer may permit the Obligor to skip subsequent payments, including interest payments, provided that the Outstanding Principal Balance of the Purchased Receivable is not less than the scheduled balance. If a significant number of Obligors take advantage of this practice at the same time, the Trustee may not have sufficient funds to pay Noteholders the full amount of interest on the Notes on the next Payment Date.

The expiration of fixed rate interest periods may result in significant repayment increases and hence increased Obligor defaults

The fixed rate Purchased Receivables in the mortgage pool have fixed interest rates that are set for a shorter time period (generally not more than 10 years) than the life of the loan (up to 30 years). At the end of the fixed rate period, the loan either converts to a variable rate, or can be refixed for a further period, again generally not for more than 10 years. When the loan converts to a variable rate or a new fixed rate, prevailing interest rates may result in the scheduled repayments increasing significantly in comparison to the repayments required during the fixed rate term just completed. This may increase the likelihood of Obligor delinquencies.

Because interest accrues on the loans on a simple interest basis, interest payable may be reduced if Obligors pay installments before scheduled due dates

Interest accrues on the Purchased Receivables on a daily simple interest basis, *i.e.*, the amount of interest payable each weekly, bi-weekly or monthly period is based on each daily balance for the period elapsed since interest was last charged to the Obligor. Thus, if an Obligor pays a fixed instalment before its scheduled due date, the portion of the payment allocable to interest for the period since the preceding payment was made may be less than would have been the case had the payment been made as scheduled.

Australian Anti-Money Laundering and Counter-Terrorism Financing Regime

The Anti-Money Laundering and Counter-Terrorism Financing Act ("**AML/CTF Act**") regulates the anti-money laundering and counter-terrorism financing obligations on financial services providers (there is also legislation which prevents payments to and transactions in connection with certain sanctioned persons).

Under the AML/CTF Act, if an entity has not met its obligations under the AML/CTF Act, that entity will be prohibited from providing a designated service which includes:

(a) opening or providing an account, allowing any transaction in relation to an account or receiving instructions to transfer money in and out of the account;

(b) issuing, dealing, acquiring, disposing of, cancelling or redeeming a security; and

(c) exchanging one currency for another.

These obligations will include undertaking customer identification procedures before a designated service is provided and receiving information about international and domestic institutional transfers of funds. Until these obligations have been met an entity will be prohibited from providing funds or services to a party or making any payments on behalf of a party.

The obligations 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.

Personal Property Security regime

A 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 previously been 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 and certain leases of goods.

The security granted by the Trustee under the General Security Agreement and the assignment of Receivables by the Seller to the Trustee are security interests under the PPSA. The Transaction Documents may also contain other security interests. The agreements under which the Purchased Receivables arise may also constitute security interests for purposes of the PPSA.

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.

Under the Security Trust Deed and the General Security Agreement, the Trustee grants a security interest over all the Series Assets in favour of the Security Trustee to secure the payment of moneys owing to the Secured Creditors (including, among others, the Noteholders).

Under the General Security Agreement, the Trustee has agreed to not do anything to create any encumbrances over the Series Assets other than in accordance with the Transaction Documents.

However, under Australian law:

- dealings by the Trustee with the Purchased Receivables in breach of such undertaking may nevertheless have the consequence that a third party acquires title to the relevant Purchased Receivables free of the security interest created under the General Security Agreement or another security interest over such Purchased Receivables has priority over that security interest; and

- contractual prohibitions upon dealing with the Purchased

Receivables (such as those contained in the General Security Agreement) will not of themselves prevent a third party from obtaining priority or taking such Purchased Receivables free of the security interest created under the General Security Agreement (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 Purchased Receivable concerned and the agreement under which it arises and the actions of the relevant third party.

Enforcement of the Purchased Receivables may cause delays in payment and losses

Substantial delays could be encountered in connection with the liquidation of a Purchased Receivable.

If the proceeds of the sale of a mortgaged property, net of preservation and liquidation expenses, are less than the amount due under the related Purchased Receivable, the Trustee may not have enough funds to make full payments of interest and principal due to a Noteholder, unless the difference is covered under a mortgage insurance policy.

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

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Trustee, the Lead Manager, the Manager or NAB 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.

Articles 404-410 (inclusive) of Regulation (EU) No 575/2013 of the European Parliament and Council (the "**CRR**"), as supplemented by Commission Delegated Regulation (EU) No 625/2014 and Commission Implementing Regulation (EU) No 602/2014, came into force on 1 January 2014 in Member States of the European Union and have been implemented by national legislation in the other Member States of the European Economic Area. Article 405 of the CRR prohibits 'credit institutions', 'investment firms' (as defined in the CRR) and their consolidated group affiliates (each, an "**Affected Investor**") from investing in a 'securitisation' (as defined by the CRR) unless the originator, sponsor or original lender in respect of that securitisation has explicitly disclosed to the Affected Investor that it will retain, on an ongoing basis, a net economic interest of at least 5 per cent in that securitisation in the manner contemplated by the CRR and the regulatory technical standards in relation to the same.

Article 406 of the CRR also requires an Affected Investor to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, the notes it has acquired and the underlying exposures, and that procedures have been established for monitoring the performance of the underlying exposures on an on-going basis. Failure to comply with one or more of the requirements set out in CRR Articles 405 and 406 may result in the imposition of a penal capital charge with respect to the investment made in the securitisation by the relevant Affected Investor.

Investors should also be aware of Article 17 of the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU), as supplemented by Section 5 of Chapter III of Commission Delegated Regulation (Directive 2011/61/EU) ("**AIFMD**"), and Article 135(2) of the European Union Solvency II Directive 2009/138/EC, as supplemented by Articles 254-257 of Commission Delegated Regulation (EU) No 2015/35 ("**Solvency II**"), which introduced risk retention and due diligence requirements similar to those set out in Articles 404-410 of the CRR and apply, respectively, to EEA regulated alternative investment fund managers and EEA regulated insurance/reinsurance undertakings (together with those requirements under the CRR, the "**Existing EU Retention Rules**"). While such requirements are similar to those that apply under the CRR, they are not identical and, in particular, additional due diligence obligations apply to investors under the AIFMD and Solvency II.

On 17 January 2018, Regulation EU 2017/2402 laying down a general framework for securitisation and creating a framework for simple, transparent and standardised securitisation and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 and Regulation EU 2017/2401 containing related amendments to the CRR (collectively, the "**New Securitisation Regulations**") entered into force in the European Council of the European Union. The new retention rules under the New Securitisation Regulations (the "**New Retention Rules**") will apply to securitisations in respect of which the relevant securities are issued on or after 1 January 2019. The aim of the New Securitisation Regulations is to create a harmonised securitisation framework within the European Union.

In addition to applying to any investor regulated by the current CRR, the risk retention and due diligence requirements in the New Retention Rules will also apply to by EEA management companies and funds regulated pursuant to the Undertakings for Collective Investment in Transferrable Securities Directive (Directive 2009/65/EC) (collectively "UCITS") and to institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 and certain other entities appointed by such institutions (collectively, "**IORPS**") which were subject to separate requirements under AIFMD and Solvency II.

Under the New Securitisation Regulations, some but not all of the Existing Retention Rules will continue to apply to securitisations in respect of which the relevant securities are issued before 1 January 2019 ("**Pre-2019 Securitisations**"). This means that both EEA management companies and funds regulated pursuant to UCITS and institutions for occupational retirement provision as defined in the IORPS may be subject to additional requirements under the Existing Retention Rules which apply to them specifically if the relevant securities are Pre-2019 Securitisations.

In this Information Memorandum, the Existing EU Retention Rules together with those requirements, under the Securitisation Regulation referred to below, are referred to as the "**Retention Rules**" and any investor subject to the EU Retention Rules is referred to as an "Affected Investor".

Affected Investors should make themselves aware of the requirements of the Retention Rules (and any implementing rules in relation to a relevant jurisdiction), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes and should carefully consider whether the applicable conditions under the Retention Rules are satisfied at any time.

There remains considerable uncertainty with respect to the Retention Rules and it is not clear what will be required to demonstrate compliance to national regulators. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges or other sanctions for non-compliance with the Retention Rules and any implementing rules in a relevant jurisdiction should seek advice from their advisors or guidance from their regulator.

The Retention 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 certain individual investors and, in addition, could have a negative impact on the price and liquidity of the Notes in the secondary market.

NAB (as originator) will undertake to the Trustee to hold, in accordance with the CRR, a net economic interest in this securitisation transaction. As at the Closing Date, such interest will be comprised of an interest in randomly selected exposures equivalent to no less than 5% of the aggregate principal balance of the securitised exposures in accordance with paragraph 1(c) of Article 405 of the CRR. The Manager will include information in any reports provided to Noteholders:

(a) confirming NAB's continued retention of the interest described above; and

(b) any change to the manner in which the interest will be comprised if there are exceptional circumstances which cause the manner in which the interest is held to change.

There are material differences between the New Retention Rules and the Existing Retention Rules. Although the primary legislative process has reached its end, it is expected that there will be secondary legislation and guidance notes in regards to the interpretation of the New Retention Rules and the changes from the Existing Retention Rules. Prospective investors are themselves responsible for monitoring and assessing changes to the Retention Rules and their regulatory capital requirements. Each Affected Investor should consult with their own legal and regulatory advisors to determine whether, and to what extent, the information described is sufficient for compliance by that Affected Investor with any applicable Retention Rules. In the event that a regulator determines that the transaction did not comply or is no longer in compliance with the Retention Rules or the Affected Investor has insufficient information to satisfy its due diligence and/or ongoing monitoring requirements under the Retention Rules, then an Affected Investor may be required by its regulator to set aside additional capital against its investment in the Notes or take other remedial measures in respect of its investment in the Notes.

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

Listing on the Australian Securities Exchange	An application has been or will be made by the Manager to list the Class A Notes on the Australian Securities Exchange. There can be no assurance that any such listing will be obtained. The issuance and settlement of the Class A Notes on the Closing Date is not conditioned on listing the Class A Notes on the Australian Securities Exchange.
US Foreign Account Tax Compliance Act ("FATCA")	The Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**") establish a new due diligence, reporting and withholding regime. FATCA aims to detect U.S. taxpayers who use 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, from 1 January 2019 in respect of gross proceeds from the sale or disposition of property that produce interest or dividends which are U.S. source income and from 1 January 2019, at the earliest, 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 (which may include the Trust or the Trustee) 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 Trust, the Trustee or any other 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".

If the Notes are treated as debt for U.S. federal income tax purposes and the payment is made under a grandfathered obligation, FATCA withholding is not expected to apply. Generally, a grandfathered obligation is 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.

Australian IGA

The Australian Government and U.S. Government signed an inter-governmental agreement on 28 April 2014 ("**Australian IGA**"). The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the Australian IGA ("**Australian IGA Legislation**").

Australian financial institutions which are Reporting Australian Financial Institutions under the Australian IGA must follow specific due diligence procedures to identify their account holders (for example, 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 and on payments made to non-participating FFIs. The ATO is required to provide such information to the IRS. Consequently, Noteholders may be requested to provide certain information and certifications to the Trust, the Trustee and to any other financial institutions through which payments on the Notes are made in order for the Trust, the Trustee and such financial institutions to comply with their FATCA obligations.

A Reporting Australian Financial Institution (which may include the 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.

No additional amounts paid as a result of FATCA withholding

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, no additional amounts will be paid by the Trustee as a result of the deduction or withholding. The Trustee (at the direction of the Manager) may determine that the Trust should or must comply with certain obligations as a result of the Australian IGA. As such, Noteholders will be required to provide any information or tax documentation that the Trustee (at the direction of the Manager) determines are necessary to comply with FATCA, the Australian IGA or the Australian IGA Legislation. The Trustee's ability to satisfy such obligations will 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.

FATCA is particularly complex legislation.

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

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("**CRS**") will require 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. Australia has enacted legislation to require reporting financial institutions to obtain certifications from accountholders in respect of new accounts, including investment in securities, opened after 30 June 2017. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed the CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement.

Changes of law may impact the structure of the transaction and the treatment of the Notes

The structure of the transaction and, inter alia, the issue of the Notes and ratings assigned to the Notes are based on Australian law, tax and administrative practice in effect at the date of this Information Memorandum, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that Australian law, tax or administrative practice will not change after the Closing Date or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

Turbulence in the financial markets and economy may adversely

Market and economic conditions during the past several years have caused significant disruption in the credit markets. Increased market uncertainty and instability in both Australian and international capital and

affect the performance and market value of the Notes

credit markets, combined with 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.

Ipso facto moratorium

On 28 March 2017, the federal government in Australia released draft legislation proposing reforms to Australian insolvency laws, including the introduction of an "ipso facto" moratorium. On 18 September 2017, the draft legislation received royal assent. The legislation proposes that a right under a contract (such as a right to terminate or to accelerate payments) will not be enforceable, for a certain period of time, if the reason for enforcement is the occurrence of certain insolvency events or the company's financial position. Such stay on enforcing rights is expressed to be subject to specific exclusions including a right contained in a kind of contract, agreement or arrangement prescribed by regulations.

The federal government has released an explanatory document which notes that the government proposes to make regulations setting out the types of contracts and contractual rights which will be excluded from the general stay on the operation of ipso facto clauses. The government has sought feedback on the appropriateness of the proposed exclusions, which are expressed to include securitisation arrangements involving special purpose vehicles.

However, until the regulations have been released, the scope of the proposed "ipso facto" moratorium and exclusions remains uncertain.

The Class A1-G Notes may not continue to comply with the Climate Bonds Standard or the Australian Residential Guidance

The Manager expects to direct the Issuer to use the proceeds of the issuance of the Class A1-G Notes to fund the acquisition of certain Receivables from Seller ("**Green Receivables**") which comprise indebtedness incurred to finance mortgage loans for residential properties that satisfy the Climate Bond Initiative's sector-specific criteria for low carbon buildings, in particular, where the residential properties subject to these mortgage loans satisfy Australian Residential Guidance (such Eligible Projects & Assets being "Nominated Projects & Assets" for the purposes of the Climate Bonds Standard).

As at the Cut-Off Date, the book value of the Green Receivables will at least equal the aggregate Invested Amount of the Class A1-G Notes. However, there is no way to predict the ongoing value of those Green Receivables or the actual rate and timing of payments by Obligors in respect of the Green Receivables.

Collections in respect of the Green Receivables will be applied by the Issuer on each Payment Date as a part of the Total Available Principal in the order of priority described in Part 6.11 ("Income Distributions"), rather than being available for payments in respect of the Class A1-G Notes only. Accordingly, there can be no assurance that the value of the Green Receivables will continue to be at least equal to the aggregate Invested Amount of the Class A1-G Notes on an ongoing basis. The Issuer will not acquire further Green Receivables after the Closing Date.

The Issuer does not covenant to ensure that the Class A1-G Notes continue to comply with the Climate Bonds Standard or the Australian Residential Guidance. Climate Bond certification in respect of the Class A1-G Notes may be withdrawn at any time in the Climate Bonds Initiative's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.

The Class A1-G Notes will be certified as Climate Bonds under the Climate Bonds Standard in place on the date of this Information Memorandum. If the Climate Bonds Standard or the Australian Residential Guidance is amended, updated, replaced or re-issued as a new version, the Class A1-G Notes may no longer comply with the Climate Bonds Standard or the Australian Residential Guidance as so amended, updated, replaced or re-issued. The Issuer has no obligation to act so as to ensure the ongoing compliance with any such amended, updated, replaced or re-issued Climate Bonds Standard. If the Class A1-G Notes no longer comply with the Climate Bonds Standard or the Australian Residential Guidance, this may adversely affect the value of the Class A1-G Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

Prospective investors in the Class A1-G Notes should note that in no circumstances will any failure to comply with the Climate Bonds Standard or the Australian Residential Guidance, any withdrawal of the certification of the Class A1-G Notes, for any reason, or any failure to provide ongoing verification statements constitute an Event of Default or any other breach (howsoever described) of the Transaction Documents. Class A1-G Noteholders will have no right whatsoever to require early redemption of the Class A1-G Notes in these circumstances.

No assurance can be provided in respect of the Climate Bonds Initiative or the Climate Bonds Standard

Climate Bond certification does not, and is not in any way intended to, address the likelihood of timely payment of interest when due on the Class A1-G Notes and/or the repayment of principal of the Class A1-G Notes at the Maturity Date or on any other date.

The Issuer does not make any representation or give any assurance with respect to the Climate Bonds Initiative, the Australian Residential Guidance or the Climate Bonds Standard generally, any Appointed Verifier or in relation to the suitability of the Australian Residential Guidance for assessing carbon performance. The Issuer also does not does not make any representation or give any assurance with respect to the actual climate-based impact of the Class A1-G Notes, of any Nominated Project & Asset, or of the Australian Residential Guidance or the Climate Bonds Standard generally. Without limiting this, prospective investors should be aware that the Australian Residential Guidance uses proxies for carbon performance which are subject to limitations as described in Part 1.9 ("Climate Bond Certification") above.

The Issuer is not responsible for any information or standard published or provided by the Climate Bonds Initiative or any verification statement or report prepared by any Appointed Verifier.

3 Part 3 – Conditions of the Notes

The following is a summary of the terms and conditions of the Notes. The complete terms and conditions of the Notes are set out in the Note Deed Poll and in the event of a conflict the terms and conditions set out in the Note Deed Poll will prevail.

1 Definitions

The definitions are as set out in the Note Deed Poll.

2 General

2.1 Issue Supplement

Notes are issued on the terms set out in the Conditions and the Issue Supplement. If there is any inconsistency between the Conditions and the Issue Supplement, the Issue Supplement prevails.

Notes are issued in 9 Classes:

(a) Class A1-A Notes;

(b) Class A1-G Notes;

(c) Class A2 Notes;

(d) Class B Notes;

(e) Class C Notes;

(f) Class D Notes;

(g) Class E Notes;

(h) Class F Notes; and

(i) Redraw Notes.

2.2 Currency

Notes are denominated in Australian dollars.

2.3 Clearing Systems

Notes may be held in a Clearing System. If Notes are held in a Clearing System, the rights of each Noteholder and any other person holding an interest in those Notes are subject to the rules and regulations of a Clearing System. The Trustee is not responsible for anything a Clearing System does or omits to do.

3 Form

3.1 Constitution

Notes are debt obligations of the Trustee constituted by, and owing under, the Note Deed Poll and the Issue Supplement.

3.2 Registered form

Notes are issued in registered form by entry in the Note Register.

No certificates will be issued in respect of any Notes unless the Manager determines that certificates should be issued or they are required by law.

3.3 Effect of entries in Note Register

Each entry in the Note Register in respect of a Note constitutes:

(a) an irrevocable undertaking by the Trustee to the Noteholder to:

(i) pay principal, any interest and any other amounts payable in respect of the Note in accordance with the Conditions; and

(ii) comply with the other conditions of the Note; and

(b) an entitlement to the other benefits given to the Noteholder in respect of the Note under the Conditions.

3.4 Note Register conclusive as to ownership

Entries in the Note Register in relation to a Note are conclusive evidence of the things to which they relate (including that the person entered as the Noteholder is the owner of the Note or, if two or more persons are entered as joint Noteholders, they are the joint owners of the Note) subject to correction for fraud, error or omission.

3.5 Non-recognition of interests

Except as ordered by a court of competent jurisdiction or required by law, the Trustee must treat the person whose name is entered as the Noteholder of a Note in the Note Register as the owner of that Note.

No notice of any trust or other interest in, or claim to, any Note will be entered in the Note Register. The Trustee need not take notice of any trust or other interest in, or claim to, any Note, except as ordered by a court of competent jurisdiction or required by law.

This condition applies whether or not a Note is overdue.

3.6 Joint Noteholders

If two or more persons are entered in the Note Register as joint Noteholders of a Note, they are taken to hold the Note as joint tenants with rights of survivorship. However, the Trustee is not bound to register more than four persons as joint Noteholders of a Note.

3.7 Inspection of Note Register

On providing reasonable notice to the Registrar, a Noteholder will be permitted, during business hours, to inspect the Note Register. A Noteholder is entitled to inspect the Note Register only in respect of information relating to that Noteholder.

The Registrar must make a certified copy of the Note Register available to a Noteholder upon request by that Noteholder within one Business Day of receipt of the request.

3.8 Notes not invalid if improperly issued

No Note is invalid or unenforceable on the ground that it was issued in breach of the Note Deed Poll or any other Transaction Document.

3.9 Location of the Notes

The property in the Notes for all purposes is situated where the Note Register is located.

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4 Status

4.1 Status

Notes are direct, secured, limited recourse obligations of the Trustee.

4.2 Security

The Trustee's obligations in respect of the Notes are secured by the General Security Agreement.

4.3 Ranking

The Notes of each Class rank equally amongst themselves.

The Classes of Notes rank against each other in the order set out in the Issue Supplement.

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5 Transfer of Notes

5.1 Transfer

Noteholders may only transfer Notes in accordance with the Master Trust Deed, the Issue Supplement and the Conditions.

5.2 Title

Title to Notes passes when details of the transfer are entered in the Note Register**.**

5.3 Transfers in whole

Notes may only be transferred in whole.

5.4 Compliance with laws

Notes may only be transferred if:

(a) the offer or invitation giving rise to the transfer is not:

 (i) an offer or invitation which requires disclosure to investors under Part 6D.2 of the Corporations Act; or

 (ii) an offer to a retail client under Chapter 7 of the Corporations Act; and

(b) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

5.5 No transfers to unincorporated associations

Noteholders may not transfer Notes to an unincorporated association.

5.6 Transfer procedures

Interests in Notes held in a Clearing System may only be transferred in accordance with the rules and regulations of a Clearing System.

Notes not held in a Clearing System may be transferred by sending a transfer form to the Specified Office of the Registrar.

To be valid, a transfer form must be:

(a) in the form set out in Schedule 2 of the Note Deed Poll;

(b) duly completed and signed by, or on behalf of, the transferor and the transferee; and

(c) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly signed.

No fee is payable to register a transfer of Notes so long as all applicable Taxes in connection with the transfer have been paid.

5.7 CHESS

Notes listed on the ASX are not:

(a) transferred through, or registered on, the Clearing House Electronic Subregister System operated by the ASX; or

(b) "Approved Financial Products" (as defined for the purposes of that system).

5.8 Transfers of unidentified Notes

If a Noteholder transfers some but not all of the Notes it holds and the transfer form does not identify the specific Notes transferred, the Registrar may choose which Notes registered in the name of Noteholder have been transferred. However, the aggregate Invested Amount of the Notes registered as transferred must equal the aggregate Invested Amount of the Notes expressed to be transferred in the transfer form.

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6 Interest

6.1 Interest on Notes

(a) Each Note bears interest at its Interest Rate:

(i) subject to paragraph (ii) below, on its Invested Amount; or

(ii) on its Stated Amount if the Stated Amount of that Note is zero,

from (and including) its Issue Date to (but excluding) the date on which the Note is taken to be finally redeemed under condition 8.6.

(b) Interest in respect of a Note:

(i) accrues daily from and including the first day of an Interest Period to but excluding the last day of the Interest Period; and

(ii) is calculated on actual days elapsed and a year of 365 days; and

(iii) is payable in arrears on each Payment Date.

(c) The amount of interest payable for a Note is calculated by multiplying the Interest Rate for the Interest Period, the Invested Amount or the Stated Amount of the Note (as applicable) and the Day Count Fraction.

6.2 Interest Rate determination

The Calculation Agent must determine the Interest Rate for the Notes for an Interest Period in accordance with the Conditions and the Issue Supplement.

The Interest Rate must be expressed as a percentage rate per annum.

6.3 Interest Rate

(a) The Interest Rate for a Class A Note:

(i) for each Interest Period ending prior to the Call Option Date is the sum of:

(A) the relevant Note Margin; and

(B) the Bank Bill Rate,

for the Class A Notes and that Interest Period; and

(ii) for each Interest Period ending on or after the Call Option Date is the sum of:

(A) the relevant Note Margin;

(B) the Class A Note Step-up Margin; and

(C) the Bank Bill Rate,

for the Class A Notes and that Interest Period.

(b) The Interest Rate for a Class of Notes (other than Class A Notes) for each Interest Period is the sum of:

(i) the relevant Note Margin; and

(ii) the Bank Bill Rate,

for that Class of Notes and that Interest Period.

6.4 Calculation of interest payable on Notes

As soon as practicable after determining the Interest Rate for any Note for an Interest Period, the Calculation Agent must calculate the amount of interest payable on that Note for the Interest Period and notify the Trustee and the Manager of that amount.

6.5 Notification of Interest Rate and other things

If any Interest Period or calculation period changes, the Calculation Agent may amend its determination or calculation of any rate, amount, date or other thing. If the Calculation Agent amends any determination or calculation, it must notify the Trustee and the Manager. The Calculation Agent must give notice as soon as practicable after amending its determination or calculation.

6.6 Determination and calculation final

Except where there is an obvious error, any determination or calculation the Calculation Agent makes in accordance with the Conditions is final and binds the Trustee and each Noteholder.

6.7 Rounding

For any determination or calculation required under the Conditions:

(a) all percentages resulting from the determination or calculation must be rounded to the nearest one ten-thousandth of a percentage point (with 0.00005 per cent. being rounded up to 0.0001 per cent.); and

(b) all amounts that are due and payable resulting from the determination or calculation must be rounded (with halves being rounded up) to:

(i) in the case of Australian dollars, one cent; and

(ii) in the case of any other currency, the lowest amount of that currency available as legal tender in the country of that currency; and

(c) all other figures resulting from the determination or calculation must be rounded to four decimal places (with halves being rounded up).

6.8 Default interest

If the Trustee does not pay an amount under Condition 6 ("Interest") of the Conditions on the due date, then the Trustee agrees to pay interest on the unpaid amount at the last applicable Interest Rate.

Interest payable under this condition accrues daily from (and including) the due date to (but excluding) the date the Trustee actually pays and is calculated using the Day Count Fraction.

6.9 Interpolation

In respect of the first Interest Period for a Note (but only if the actual number of days in that Interest Period is more than 30 days), the Calculation Agent must determine the Interest Rate for that Interest Period using straight line interpolation by reference to two Bank Bill Rates.

The first rate must be determined on the first day of that Interest Period in accordance with the definition of Bank Bill Rate.

The second rate must be determined on the first day of that Interest Period as if each reference to "30 days" in the definition of Bank Bill Rate were a reference to "60 days".

7 Allocation of Charge-Offs

The Issue Supplement contains provisions for:

(a) allocating Carryover Principal Charge-Offs to the Notes and reducing the Stated Amount of the Notes; and

(b) reinstating reductions in the Stated Amount of the Notes.

8 Redemption

8.1 Redemption of Notes – Final Maturity

The Trustee agrees to redeem each Note on the Final Maturity Date by paying to the Noteholder the Redemption Amount for the Note. However, the Trustee is not required to redeem a Note on the Final Maturity Date if the Trustee redeems, or purchases and cancels the Note before the Final Maturity Date.

8.2 Redemption of Notes – Call Option

(a) The Manager may (at its option, but subject to paragraph (c) below) direct the Trustee to redeem all (but not some only) of the Notes before the Final Maturity Date and upon receipt of such direction the Trustee must redeem the Notes by paying to the Noteholders the Redemption Amount for the Notes.

(b) The Manager may only direct the Trustee to redeem the Notes under Condition 8.2 ("Redemption of Notes – Call Option") of the Conditions if:

 (i) at least 5 Business Days before the proposed redemption date, the Manager notifies the proposed redemption to the Registrar and the Noteholders and any stock exchange on which the Notes are listed; and

 (ii) the proposed redemption date is a Call Option Date.

(c) If the Manager gives a notice of the proposed redemption to the Noteholders in accordance with paragraph (b), then the Manager must exercise its option under paragraph (a) above to direct the Trustee to redeem all (but not some) of the Notes on the relevant Call Option Date.

8.3 Redemption for taxation reasons

(a) If the Trustee is required under Condition 10.2 ("Withholding tax") of the Conditions to deduct or withhold an amount in respect of Taxes from a payment in respect of a Note the Manager may (at its option) direct the Trustee to redeem all (but not some only) of the Notes and upon receipt of such direction the Trustee must redeem the Notes by paying to the Noteholders the Redemption Amount for the Notes.

(b) The Trustee, at the direction of the Manager, must notify the proposed redemption to the Registrar and the Noteholders and any stock exchange on which the Notes are listed at least 20 Business Days before the proposed redemption date.

(c) For any redemption of Notes under Condition 8.3 ("Redemption for taxation reasons") of the Conditions, the proposed redemption date must be a Payment Date.

8.4 Payment of principal in accordance with Issue Supplement

Payments of principal on each Note will be made in accordance with the Issue Supplement. The Invested Amount of each Note reduces from the date, and by the amount, of each payment of principal that the Trustee makes under the Issue Supplement.

8.5 Late payments

If the Trustee does not pay an amount under Condition 8 ("Redemption") of the Conditions on the due date, then the Trustee agrees to pay interest on the unpaid amount at the last applicable Interest Rate.

Interest payable under this condition accrues daily from (and including) the due date to (but excluding) the date the Trustee actually pays and is calculated using the Day Count Fraction.

8.6 Final Redemption

A Note will be finally redeemed, and the obligations of the Trustee with respect to the payment of the Invested Amount of that Note will be finally discharged, on the date upon which the Invested Amount of that Note is reduced to zero and all accrued but previously unpaid interest in respect of the Note is paid in full.

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9 Payments

9.1 Payments to Noteholders

The Trustee agrees to pay:

(a) interest and amounts of principal (other than a payment due on the Final Maturity Date for the relevant Note), to the person who is the Noteholder at 4.00pm on the Record Date in the place where the Note Register is maintained; and

(b) amounts due on the Final Maturity Date for the relevant Note to the person who is the Noteholder at 4.00pm in the place where the Note Register is maintained on the due date.

9.2 Payments to accounts

The Trustee agrees to make payments in respect of a Note:

(a) if the Note is held in a Clearing System, by crediting on the Payment Date, the amount due to the account previously notified by a Clearing System to the Trustee and the Registrar in accordance with a Clearing System rules and regulations in the country of the currency in which the Note is denominated; and

(b) if the Note is not held in a Clearing System, subject to Condition 9.3 ("Payments by cheque") of the Conditions, by crediting on the Payment Date, the amount due to an account previously notified by the Noteholder to the Trustee and the Registrar in the country of the currency in which the Note is denominated.

9.3 Payments by cheque

If a Noteholder has not notified the Trustee of an account to which payments to it must be made by close of business in the place where the Note Register is maintained on the Record Date, the Trustee may make payments in respect of the Notes held by that Noteholder by cheque.

If the Trustee makes a payment in respect of a Note by cheque, the Trustee agrees to send the cheque by prepaid ordinary post on the Business Day immediately before the due date to the Noteholder (or, if two or more persons are entered in the Note Register as joint Noteholders of the Note, to the first named joint Noteholder) at its address appearing in the Note Register at close of business in the place where the Note Register is maintained on the Record Date.

Cheques sent to a Noteholder are sent at the Noteholder's risk and are taken to be received by the Noteholder on the due date for payment. If the Trustee makes a payment in respect of a Note by cheque, the Trustee is not required to pay any additional amount (including under Condition 8.5 ("Late payments") of the Conditions) as a result of the Noteholder not receiving payment on the due date.

9.4 Payments subject to law

All payments are subject to applicable law. However, this does not limit Condition 10 ("Taxation") of the Conditions.

9.5 Currency indemnity

The Trustee waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Noteholder receives an amount in a currency other than that in which it is due:

(a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its costs in connection with the conversion; and

(b) the Trustee satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

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10 Taxation

10.1 No set-off, counterclaim or deductions

The Trustee agrees to make all payments in respect of a Note in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless such withholding or deduction is required by law or is made under or in connection with, or in order to ensure compliance with FATCA.

10.2 Withholding tax

If a law requires the Trustee to withhold or deduct an amount in respect of Taxes from a payment in respect of a Note, then (at the direction of the Manager):

(a) the Trustee agrees to withhold or deduct the amount; and

(b) the Trustee agrees to pay an amount equal to the amount withheld or deducted to the relevant authority in accordance with applicable law.

The Trustee is not liable to pay any additional amount to the Noteholder in respect of any such withholding or deduction (including, without limitation, for or on account of any withholding or deduction arising under or in connection with or in order to ensure compliance with FATCA).

11 Time limit for claims

A claim against the Trustee for a payment under a Note is void unless made within 10 years (in the case of principal) or 5 years (in the case of interest and other amounts) from the date on which payment first became due.

12 General

12.1 Role of Calculation Agent

In performing calculations under the Conditions, the Calculation Agent is not an agent or trustee for the benefit of, and has no fiduciary duty to or other fiduciary relationship with, any Noteholder.

12.2 Meetings of Secured Creditors

The Security Trust Deed contains provisions for convening meetings of the Secured Creditors to consider any matter affecting their interests, including any variation of the Conditions.

13 Notices

13.1 Notices to Noteholders

All notices and other communications to Noteholders must be in writing and must be:

(a) sent by prepaid post (airmail, if appropriate) to the address of the Noteholder (as shown in the Note Register at close of business in the place where the Note Register is maintained on the day which is 3 Business Days before the date of the notice or communication); or

(b) given by an advertisement published in:

   (i) the Australian Financial Review or The Australian; or

   (ii) if the Issue Supplement for that Series specifies an additional or alternate newspaper, that additional or alternate newspaper.

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

(d) if the relevant Notes are listed, announced on the stock exchange on which those Notes are listed.

13.2 When effective

Communications take effect from the time they are received or taken to be received (whichever happens first) unless a later time is specified in them.

13.3 When taken to be received

Communications are taken to be received:

(a) if published in a newspaper, on the first date published in all the required newspapers; or

(b) if sent by post, five days after posting (or seven days after posting if sent from one country to another).

14 Governing law

14.1 Governing law and jurisdiction

The Conditions are governed by the law in force in New South Wales. The Trustee and each Noteholder submit to the non-exclusive jurisdiction of the courts of that place.

14.2 Serving documents

Without preventing any other method of service, any document in any court action in connection with any Notes may be served on the Trustee by being delivered to or left at the Trustee’s address for service of notices in accordance with clause 23 (“Notices and other communications”) of the Security Trust Deed.

15 Limitation of liability

The Trustee’s liability to the Noteholders of the Series (and any person claiming through or under a Noteholder of the Series) in connection with the Conditions and the other Transaction Documents of the Series is limited in accordance with clause 18 (“Indemnity and limitation of liability”) of the Master Trust Deed.

4 Part 4 – Origination and Servicing of the Receivables

4.1 Origination of the Purchased Receivables

NAB originated the Purchased Receivables in two ways:

(a) via its proprietary network, comprising personal bankers, mobile bankers and call centre bankers (“**Proprietary Channel**”); and

(b) via NAB Broker (“**Third Party Channel**”).

NAB also generates residential mortgage loans via Advantedge, however, those loans are not included in the Purchased Receivables and are therefore not described in this Information Memorandum.

The following discussion summarises the underwriting standards applicable to residential mortgage loans generated through the Proprietary Channel and the Third Party Channel (together, the “**Mortgage Loans**”) and describes certain key features and characteristics of the Mortgage Loans. These standards, features and characteristics are under regular review and may change from time to time as a result of business and regulatory changes.

Where circumstances warrant, giving overall consideration of the strength of the application, a Mortgage Loan may be made with a Delegated Commitment Authority (“**DCA**”) where certain elements are outside NAB’s normal underwriting criteria.

4.2 Servicing of Purchased Receivables

Pursuant to the Servicing Deed, the Servicer will be responsible for the servicing and administration of the Purchased Receivables as described in this Information Memorandum. The Servicer or any successor servicer may contract with sub-servicers or third parties to perform all or a portion of the servicing functions on behalf of the Servicer.
Servicing procedures include responding to customer inquiries, managing and servicing the features and facilities available under the Purchased Receivables and the management of delinquent Purchased Receivables.

The Servicer is contractually obliged to administer the Purchased Receivables:

(a) in accordance with all applicable laws;

(b) according to the Servicing Deed;

(c) with the same degree of diligence and care expected of an appropriately qualified and prudent servicer of similar receivables; and

(d) subject to the preceding bullet points, according to the Servicer’s procedures and policies for servicing the Purchased Receivables, which are under regular review and may change from time to time as a result of business changes, or legislative and regulatory changes.

4.3 Underwriting Process

Loans are considered for origination on the basis of a rate internally calculated by NAB designed to determine an applicant’s capacity to repay a Mortgage Loan. The rate calculated by NAB is the higher of (i) the current rate payable by the applicant plus a serviceability buffer of 2.25% or (ii) a rate of 7.25%. Regardless of the determined rate, applicants must demonstrate the capacity to repay the Mortgage Loan and satisfy all other commitments including general living expenses. Scheduled payments are calculated on the basis of the current interest rate. Applicants must meet minimum risk-adjusted loan serviceability thresholds, using reliable, regular and verifiable income sources.

Mortgage Loan proceeds may only be applied for owner occupied, investment or personal purposes (including consolidation of personal debts), and for the purchase, construction or renovation of a residential or investment property. Construction loans are not provided until construction is completed. Under standard policy, provided a sound history (minimum six months) is held with another financial institution, NAB will consider refinancing debts. The minimum loan amount available is twenty thousand dollars (A$20,000). There is no maximum amount (subject to security credit assessment criteria). The minimum term for a Mortgage Loan is one year. The maximum term for a Mortgage Loan is 30 years.

NAB's Mortgage Loan lending is limited to a maximum of 95% of the market value of the property for principal and interest repayments, or 80% of the market value of the property for interest only repayments. Additionally NAB applies a maximum of 95% of the market value of the property for owner occupier purpose, or 90% of the market value of the property for investment purpose (except under limited circumstances in which approval is granted, the purpose is restricted to property purchase, available products are limited and Lender's Mortgage Insurance ("**LMI**") is mandatory). LMI is mandatory for all Mortgage Loans where the loan-to-value ratio is greater than 80% with respect to any owner occupied or investment property, greater than 70%, with respect to certain inner city investment properties and greater than 90% for NAB employees (including children of staff members), specific medical practitioners (limited to medical and dental practitioners and optometrists) and veterinary practitioners. In exceptional circumstances LMI may be waived, however this must be approved by the Senior Credit Authority. LMI provides 100% coverage against loss on the entire Mortgage Loan.

NAB takes a first registered mortgage only over suitable residential property as security for a Mortgage Loan. In certain circumstances, usually when a customer is selling one property and buying another and simultaneous property settlements do not occur, a Mortgage Loan can be secured for a short period of time by a cash deposit held by NAB. The relevant customer must agree in writing to grant NAB a right of set-off against the deposit to secure repayment of the Mortgage Loan during this period.

NAB determines the market value of the property provided as security by reference to the current realisable value of the property on a normal sale basis (where both the buyer and seller would be willing and legitimate participants).

An acceptable valuation type is determined considering the property type and risk and various other market factors.

There are three main types of property valuations:

(a) Automated Valuation Models (AVM) – these are statistical tools used to estimate values for specific residential properties based on property characteristic data and sales data. These values are usually returned as a range and with an indication of the suppliers' confidence in their accuracy expressed as a score and/or as a forecast standard deviation:

   (i) NAB's Proprietary Channel currently uses this for properties up to A$1 million in value (to A$1.5 million to support a contract of sale), and for low risk transactions. This valuation methodology accounts for 20% of overall valuation requests for Mortgage Loans originated through NAB's Proprietary Channel.

   (ii) in NAB's Third Party Channel NAB Broker currently uses this for properties up to A$1 million in value (to A$1.5million to support a contract of sale), and for low risk transactions. This valuation methodology accounts for 20% of overall valuation requests for Mortgage Loans originated through NAB's Third Party Channel.

(b) Desktop Valuation - valuations undertaken by an experienced valuer (from a NAB approved panel valuer or NAB's own internal valuation team) with local area knowledge of the property without physical inspection. Desktop Valuations are used for low risk transactions up to $1.5M.

(c) Physical Valuation – which includes external/kerbside valuations (from a NAB approved panel valuer or NAB's own internal valuation team).

For construction loans, a final internal inspection is mandatory.

4.4 Credit and Lending Procedures

The following is a summary description of the credit and lending procedures adopted by NAB.

A bank officer is the intermediary for NAB's Proprietary Channel home loan customers at all times until the Mortgage Loan is underwritten. The bank officer initially reviews with the customer, his or her borrowing needs and credit situation and recommends a product, which is not unsuitable for the customer. An application form is completed and loaded into a customer management tool (used by bankers to manage customer information) referred to as "Siebel electronic Consumer Lending" (“**eCL**”). In mid-2015, rolled out its new Personal Banking Origination Platform (“**PBOP**”) in retail branches, contact centres and fulfilment centres. NAB’s Third Party Channel NAB Broker uses "Work Flow Manager" as its application origination system.

eCL, PBOP and Work Flow Manager link to NAB’s automatic credit decision tool, "New Business Strategy Manager" (“**NBSM**”). NAB Broker utilises the same credit and lending processes adopted by NAB’s Proprietary Channel. NAB’s business bankers may also undertake manual credit assessments within an approved DCA.

The decision tool NBSM controls the application process by retrieving existing NAB customers' data and account performance from relevant source systems, and makes calls to external systems to capture further information on the customer. “nabCalc” (an internal NAB system used for eCL and Work Flow Manager originated applications) or the PBOP repayment calculator (embedded in PBOP) is called to calculate the customer's repayments and NBSM uses serviceability calculations to determine how much the customer can borrow. Data is also retrieved from multiple credit bureaus to incorporate any available information on loans held and applied for at other financial institutions.

NBSM contains application risk scorecards and strategies to assess the risk of an application. Different scorecards and strategies are in place for different segments within the portfolio. Application risk scorecards are made up of individual characteristics with score values assigned. The combination of characteristics is added up for the overall application risk score which is a statistical measure that predicts the probability of the customer defaulting in the following 24 months. A minimum score threshold is required.

NBSM returns one of three results: "accept", "decline" or "refer" along with reasons for the decision. A "refer" decision is escalated to the relevant bank officer (which differs according to whether the Mortgage Loan was originated through the Proprietary Channel or the Third Party Channel) to be reviewed under an approved DCA. If a "decline" result is obtained, these applications may be referred to a credit manager who is afforded sufficient review authority to review and, where appropriate, override the "decline" decision.

All NAB home loan applications are subject to underwriting criteria guidelines that are used in assessing Mortgage Loans. The criteria are intended as a guide and are used in determining the suitability of loan applicants. Criteria guidelines include:

(a) applicant be a minimum of 18 years of age;

(b) legal capacity of the applicant of entering into the loan contract;

(c) employment/eligible income sources;

(d) satisfactory credit checks;

(e) satisfactory savings history/loan repayment history;

(f) sound asset/liability position;

(g) capacity to repay the Mortgage Loan; and

(h) eligible residential collateral.

It is a requirement that an applicant’s income is evidenced and verified.
All bank officers involved in assessing/approving Mortgage Loans have ready, on-line access to NAB's Credit Policy, and process and training materials. Any significant change or review of underwriting policy is updated immediately and communicated to such officers via a credit bulletin. Other changes or amendments are forwarded on a periodic basis.

If LMI is required, the bank officer makes all arrangements.

If the Mortgage Loan is declined, the bank officer has the opportunity to have the application reviewed by an appropriate DCA holder. DCA holders are experienced lending officers who have been given authority to review and approve applications that may be outside bank policy. If the Mortgage Loan is still declined, NAB formally advises the customer in writing.

If a Proprietary Channel Mortgage Loan is approved, the application is then transferred for further processing to one of NAB’s centralised fulfilment centres. The fulfilment centre is responsible for verifying financial information, preparing the appropriate documentation, checking that the security is in order, administering settlement, and drawing down the Mortgage Loan. Once an application is received at the fulfiment centre, a title search is ordered and valuation requested if necessary.

Documentation is then prepared and a copy is forwarded to the customer and a copy to the appropriate bank officers.

Once all documentation is executed, it is returned to the fulfilment centre for preparation of the file for settlement.

In respect of Mortgage Loans originated through NAB Broker in NAB's Third Party Channel, a regionalised production team is responsible for preparing the appropriate documents which allows the customer's personal and loan details to be entered but prohibits the production officer from further modifying the contract, checking that the security is in order, drawing down of the Mortgage Loan, continued loan maintenance and account control. The loan "letter of offer" is then prepared and is forwarded to the customer for signing.

Once all documentation is executed, it is returned to the Third Party Channel mortgage services centre for preparation of the file for settlement. NAB’s Third Party Channel engages the services of an external settlement agent to perform settlement and registration for complex activities.

After settlement has been effected the Mortgage Loan is drawn down and fees charged. All the documentation is then imaged and originals are sent to a central storage facility and the title is sent away for stamping and registration. Once returned from the titles office, it too is filed centrally.

NAB utilises two insurers for LMI: QBE Lenders’ Mortgage Insurance Limited for Mortgage Loans originated through NAB’s Proprietary Channel and Genworth Financial Mortgage Insurance Pty Limited for Mortgage Loans originated through NAB Broker in NAB’s Third Party Channel. A delegated underwriting authority (“**DUA**”) policy has been negotiated with NAB’s preferred insurer, which provides NAB with the ability to write lenders mortgage insurance without prior approval. The DUA agreement is subject to the following conditions:

(a) the home loan must be approved by NAB’s credit scoring system;

(b) the loan-to-value ratio must be within thresholds set;

(c) a valuation has been completed; and

(d) the security must be a registered mortgage held over a suitable residential property (less than ten hectares), or vacant land (less than 2.2 hectares).

Applications with loan-to-value ratios outside the threshold are forwarded for approval on a case-by-case basis.

Depending on the loan type, scheduled payments can consist of either principal and interest or interest only. Interest on the Mortgage Loans is calculated on a daily "simple" interest basis, and is payable as follows:

(a) principal and interest Mortgage Loans – (in arrears) either weekly/fortnightly/monthly;

(b) interest only (in arrears) – paid monthly in arrears; and

(c) interest only (in advance) – paid annually in advance.

For variable rate Mortgage Loans, prepayments may be made at any time without penalty.

For fixed rate Mortgage Loans, a prepayment penalty may be charged to the customer where part or the entire fixed rate Mortgage Loan is prepaid prior to the expiry of the fixed rate period. Customers are permitted to make up to $20,000 of additional repayments over the fixed rate term of their loan without incurring a penalty.

Scheduled repayments are based on the loan amount, the prevailing interest rate and time to expiry of the loan. Scheduled repayments are only automatically increased (if applicable) as a part of the annual loan review. Scheduled payments are not automatically reduced when prevailing interest rates reduce; however this can occur by application.

With respect to certain Mortgage Loans, the security pledged to secure the Mortgage Loan may be changed at the customer’s request (without the need to write a new Mortgage Loan or contract). In all cases, the replacement security must be an approved residential home or, in the limited circumstances described in this Information Memorandum, a cash deposit. Any change in security is at the discretion of NAB.

Certain Mortgage Loans originated by NAB provide the customer with the right to convert the variable rate at which interest accrues to a fixed rate, and vice-versa. Certain interest-only Mortgage Loans provide the customer with the right to convert the Mortgage Loan to an amortising Mortgage Loan.

In certain cases, exercise of such rights are conditional on the payment of a fee and in other cases, the right is subject to NAB’s approval.

NAB offers a "100% offset" feature on certain products which provides customers with the means to offset the balance of eligible deposit accounts against the balance of eligible Mortgage Loans for interest calculation purposes. Interest is only charged on the amount by which the outstanding principal loan balance exceeds the credit balance of the linked deposit account.

4.5 Redraw Mortgage Loans

Customers with variable rate Mortgage Loans can access their loan funds when they have made additional loan repayments above their agreed payment schedule. This is referred to as Home Loan Redraw. Certain variable rate Mortgage Loans provide NAB with the discretion to allow the customer to make redraws in certain circumstances.

Home Loan Redraws can generally be made when certain conditions, including those set out below, are met, or otherwise at NAB's discretion:

(a) the customer is not in default;

(b) any consent required under a Mortgage Insurance Policy has been obtained;

(c) no other interest in the mortgaged property has been granted, unless acceptable arrangements have been put in place;

(d) the redraw amount is not to be used for business purposes; and

(e) any building work has been completed.

In addition, Home Loan Redraws may only be made where:

(a) for Mortgage Loans originated through NAB's Proprietary Channel, the amount that would have been outstanding under the Mortgage Loan (if repayments owing had been made on the due date required and no additional repayments had been made) is more than the balance owing on the loan; and

(b) for Mortgage Loans originated through NAB Broker in NAB's Third Party Channel, the amount that would have been outstanding under the Mortgage Loan (if repayments owing had been made on the due date required and no additional repayments had been made), less an amount equal to the next required repayment is more than the balance owing on the loan.

In each case, subject to NAB's discretion, a customer may make a Home Loan Redraw in an amount equal to the amount of the excess.

NAB has reserved the discretion to cancel its obligation to provide Home Loan Redraw in respect of such Mortgage Loans.

5 Part 5 – Parties

5.1 Trustee

Perpetual Trustee Company Limited (in its personal capacity) was incorporated on 28 September 1886 as Perpetual Trustee Company (Limited) under the Companies Act 1874 of New South Wales as a public company. The name was changed to Perpetual Trustee Company Limited on 14 December 1971 and it now operates as a limited liability company under the Corporations Act. The Australian Business Number of Perpetual Trustee Company Limited is 42 000 001 007. Its registered office is at Level 18, 123 Pitt Street, Sydney, NSW 2000, Australia and its telephone number is +61 2 9229 9000.

5.2 Security Trustee

P.T. Limited, of Level 18, Angel Place, 123 Pitt Street, Sydney, NSW 2000 is appointed as the Security Trustee for the Trust on the terms set out in the Security Trust Deed. See Part 7.9 for a summary of certain of the Security Trustee's rights and obligations under the Transaction Documents. The Australian Business Number of P.T. Limited is 67 004 454 666.

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

5.3 Trust Administrator and Manager

National Australia Managers Limited is appointed as the Trust Administrator and Manager on the terms set out in the Trust Administration Deed and the Management Deed respectively. The registered office of National Australia Managers Limited is Level 1, 800 Bourke Street, Docklands, Victoria 3008.

5.4 Fixed Rate Swap Provider, Basis Swap Provider and Liquidity Facility Provider

NAB is appointed as the Fixed Rate Swap Provider, the Basis Swap Provider and Liquidity Facility Provider on the terms set out in the Fixed Rate Swap, Basis Swap and Liquidity Facility Agreement, respectively. As of the date of this Information Memorandum, NAB has a long term senior unsecured debt rating of AA- (Fitch) and Aa3 (Moody's) and a short term credit rating of F1+ (Fitch) and P-1 (Moody's). The credit rating assigned to NAB by each Designated Rating Agency may change subsequent to the Closing Date and any person receiving this Information Memorandum should make his or her own investigation as to the credit ratings assigned to NAB. NAB has its registered office at Level 1, 800 Bourke Street, Docklands, Victoria 3008, Australia.

5.5 Mortgage Insurers

QBE Lenders' Mortgage Insurance Limited

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

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

As of 31 December 2016, the audited financial statements of QBE Lenders' Mortgage Insurance Limited had total assets of A$1,905 million and shareholder's equity of A$921 million.

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

Genworth Financial Mortgage Insurance Pty Limited

Genworth Financial Mortgage Insurance Pty Limited ABN 60 106 974 305 ("**Genworth**") is a proprietary company registered in Victoria and limited by shares. Genworth's principal activity is the provision of lenders mortgage insurance which it, and predecessor businesses, have provided in Australia since 1965.

Genworth's ultimate Australian parent company is Genworth Mortgage Insurance Australia Limited ABN 72 154 890 730, which is a public company listed on the Australian Securities Exchange and registered in Victoria.

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

6 Part 6 – Cashflow Allocation Methodology

All amounts received by the Trustee will be allocated by the Manager and paid in accordance with the Cashflow Allocation Methodology.

The Cashflow Allocation Methodology (other than as described in Part 1.6.15) applies only in respect of payments to be made before the occurrence of an Event of Default and enforcement of the General Security Agreement in accordance with its terms.

6.1 Collections

The Servicer is obliged to collect all Collections on behalf of the Trustee during each Collection Period.

"**Collections**" means all amounts received by the Seller, the Servicer, the Manager or the Trustee in respect of the Purchased Receivables (on and from the Closing Date), including, without limitation:

(a) all principal and interest in respect of the Purchased Receivables;

(b) the proceeds received under any Mortgage Insurance Policy;

(c) any proceeds recovered from any enforcement action in respect of a Purchased Receivable;

(d) amounts received on any sale or Reallocation of a Purchased Receivable; and

(e) any amount receivable as damages in respect of a breach of any representation, warranty or covenant in connection with the Purchased Receivables.

6.2 Distributions during a Collection Period

(a) Prior to the occurrence of an Event of Default and enforcement of the General Security Agreement, the Seller may on any day make Redraws in respect of Purchased Receivables in accordance with the relevant Receivables Terms, provided that the balance of any un-reimbursed Redraws on that day (taking into account any Redraws to be made on that day) does not exceed the Redraw Limit on that day.

(b) If:

   (i) the Seller is to make a Redraw in respect of a Purchased Receivable in accordance with paragraph (a);

   (ii) at that time the Seller is the Servicer and the Servicer is permitted to retain Collections in accordance with the Issue Supplement,

   then with effect from the making of that Redraw, the amount of Collections (that would otherwise constitute part of the Principal Collections) required to be deposited or paid by the Servicer, in accordance with the Issue Supplement, on the Payment Date immediately following the end of the Collection Period in which that Redraw was made will be reduced by an amount equal to the lesser of:

      (A) the amount of that Redraw; and

      (B) the amount specified by the Manager to the Seller, such that the Manager is satisfied that there will be sufficient Total Available Principal to fund any required Principal Draw under Part 6.7 on that Payment Date.

(c) If:

(i) the Seller proposes to make a Redraw in respect of a Purchased Receivable in accordance with paragraph (a); and

(ii) at that time:

(A) the Seller is not the Servicer; or

(B) the Servicer is not permitted to retain Collections in accordance with the Issue Supplement,

then the Seller may (but is not obliged to) notify the Manager of the amount of that Redraw on or before the date such Redraw is to be made, in which case paragraph (d) below will apply to that Redraw. If the Seller elects not to provide such notice to the Manager, paragraph (f) below will apply to that Redraw.

(d) On receipt of a notice from the Seller under paragraph (c) in respect of a Redraw, the Manager may, subject to paragraph (e)(ii), direct the Trustee to apply Principal Collections (and the Trustee must apply on that direction) received during that Collection Period towards reimbursing the Seller in respect of the relevant Redraw made or to be made on that day.

(e) The Manager must not direct the Trustee to apply Collections in accordance with paragraph (d):

(i) if the aggregate of such payments would exceed the aggregate of Principal Collections received up to that point in time in respect of the Collection Period; and

(ii) unless the Manager is satisfied that there will be sufficient Total Available Principal on the next Payment Date to fund any required Principal Draw under Part 6.7 on that Payment Date.

(f) If:

(i) the Seller makes a Redraw in respect of a Purchased Receivable in accordance with paragraph (a); and

(ii) either:

(A) the Seller is not reimbursed in respect of that Redraw in accordance with paragraph (d); or

(B) the Seller elects not to provide notice to Manager in accordance with paragraph (c),

then:

(iii) that Redraw will be reimbursable by the Trustee to the Seller on the Payment Date immediately following the end of the Collection Period in which that Redraw was made to the extent there are funds available for that purpose in accordance with this deed; and

(iv) the Trustee agrees to pay to the Seller interest on the daily balance of that un-reimbursed Redraw. Interest is to be calculated for each Interest Period. Interest accrues from day to day at the Redraw Interest Rate and is to be calculated on actual days elapsed and a 365 day year. Interest is payable in arrears on each Payment Date to the extent there are funds available for that purpose in accordance with this deed.

If, on any Payment Date, all amounts due in accordance with this paragraph (f) are not paid in full, on each following Payment Date the Trustee must pay so much of the amounts as are available for that purpose in accordance with this deed until such amounts are paid in full.

6.3 Determination of Principal Collections

On each Determination Date, the "**Principal Collections**" are calculated as the aggregate of:

(a) the Collections for the immediately preceding Collection Period;

(b) any Total Available Income to be applied on the Payment Date immediately following that Determination Date under Part 6.11 in respect of Losses for the immediately preceding Collection Period;

(c) any Total Available Income to be applied on the Payment Date immediately following that Determination Date under Part 6.11 towards Carryover Principal Charge-Offs;

(d) any Total Available Income to be applied on the Payment Date immediately following that Determination Date under Part 6.11 towards repayment of Principal Draws;

(e) any Loss Allocation Reserve Draw to be made on the Payment Date immediately following that Determination Date under Part 6.6;

(f) in respect of the first Determination Date only, any amount received by the Trustee upon the initial issue of Notes in excess of the purchase price of the Purchased Receivables; and

(g) any surplus proceeds of the issue of Redraw Notes to be applied on the Payment Date immediately following that Determination Date,

less the sum of:

(h) the Finance Charge Collections as calculated on that Determination Date;

(i) any Collection Period Distributions during the immediately preceding Collection Period;

(j) any Collections for the immediately preceding Collection Period which the Servicer retains in connection with the making of Redraws during that Collection Period; and

(k) any Mortgage Insurance Interest Proceeds received during the immediately preceding Collection Period.

6.4 Principal Distributions

Prior to the occurrence of an Event of Default and enforcement of the General Security Agreement, on each Payment Date and based on the calculations, instructions and directions provided to it by the Manager, the Trustee must distribute out of Principal Collections (as calculated on the Determination Date immediately preceding that Payment Date), the following amounts in the following order of priority:

(a) first, as a Principal Draw (if required) under Part 6.7 ("Principal Draw") on that Payment Date;

(b) next, pari passu and rateably:

(i) to the Seller, in repayment of any unreimbursed Redraws made during or prior to the immediately preceding Collection Period; and

(ii) towards repayment of the Redraw Notes until the aggregate invested Amount of the Redraw Notes is reduced to zero;

(c) next, if the Subordination Conditions are satisfied on that Payment Date, pari passu and rateably:

(i) towards repayment of the Class A1-A Notes until the aggregate Invested Amount of the Class A1-A Notes is reduced to zero;

(ii) towards repayment of the Class A1-G Notes until the aggregate Invested Amount of the Class A1-G Notes is reduced to zero;

(iii) towards repayment of the Class A2 Notes until the aggregate Invested Amount of the Class A2 Notes is reduced to zero;

(iv) towards repayment of the Class B Notes until the aggregate Invested Amount of the Class B Notes is reduced to zero;

(v) towards repayment of the Class C Notes until the aggregate Invested Amount of the Class C Notes is reduced to zero;

(vi) towards repayment of the Class D Notes until the aggregate Invested Amount of the Class D Notes is reduced to zero;

(vii) towards repayment of the Class E Notes until the aggregate Invested Amount of the Class E Notes is reduced to zero;

(viii) towards repayment of the Class F Notes until the aggregate Invested Amount of the Class F Notes is reduced to zero; and

(d) next, if the Subordination Conditions are not satisfied on that Payment Date, in the following order of priority:

(i) first, pari passu and rateably

(A) towards the repayment of the Class A1-A Notes until the aggregate Invested Amount of the Class A1-A Notes is reduced to zero; and

(B) towards repayment of the Class A1-G Notes until the aggregate Invested Amount of the Class A1-G Notes is reduced to zero;

(ii) next, pari passu and rateably towards repayment of the Class A2 Notes until the aggregate Invested Amount of the Class A2 Notes is reduced to zero;

(iii) next, pari passu and rateably towards repayment of the Class B Notes until the aggregate Invested Amount of the Class B Notes is reduced to zero;

(iv) next, pari passu and rateably towards repayment of the Class C Notes until the aggregate Invested Amount of the Class C Notes is reduced to zero;

(v) next, pari passu and rateably towards repayment of the Class D Notes until the aggregate Invested Amount of the Class D Notes is reduced to zero;

(vi) next, pari passu and rateably towards repayment of the Class E Notes until the aggregate Invested Amount of the Class E Notes is reduced to zero;

(vii) next, pari passu and rateably towards repayment of the Class F Notes until the aggregate Invested Amount of the Class F Notes is reduced to zero; and

(e) next, as to any surplus (if any), to the Participation Unitholder.

6.5 Determination of Available Income

On each Determination Date, the "**Available Income**" is calculated by the Manager (without double counting) as follows:

(a) the Finance Charge Collections received during the immediately preceding Collection Period; plus

(b) the Mortgage Insurance Interest Proceeds received during the immediately preceding Collection Period; plus

(c) any Other Income in respect of that Determination Date; plus

(d) any net payments due to be received by the Trustee under the Fixed Rate Swap or the Basis Swap on the next Payment Date.

On each Determination Date, the "**Finance Charge Collections**" for the immediately preceding Collection Period will be calculated by the Manager as the aggregate of the following items (without double counting):

(a) all Collections comprising interest and other amounts in the nature of interest or income (including any previously capitalised interest) received during that immediately preceding Collection Period in respect of any Purchased Receivable or Related Security, or any similar amount deemed by the Servicer to be in the nature of income or interest, including without limitation amounts of that nature:

   (i) recovered from the enforcement of a Purchased Receivable or Related Security (but excluding any amount received under any Mortgage Insurance Policy);

   (ii) paid to the Trustee upon the sale or Reallocation of a Purchased Receivable or Related Security;

   (iii) in respect of a breach of a representation or warranty contained in the Transaction Documents in respect of a Purchased Receivable or Related Security or under any obligation to indemnify or reimburse the Trustee; and

   (iv) received from the Seller in respect of the Seller's gross-up obligations for set-off amounts; and

(b) any Recoveries received during that immediately preceding Collection Period in respect of a Purchased Receivable or Related Security.

6.6 Loss Allocation Reserve Draw

If, on any Determination Date, there is a Notional Charge-Off, the Manager must direct the Trustee to make an allocation from the Loss Allocation Reserve Account on the Payment Date immediately following that Determination Date in an amount equal to the lesser of:

(a) the Notional Charge-Off; and

(b) the Loss Allocation Reserve Account Balance,

(a "**Loss Allocation Reserve Draw**").

6.7 Principal Draw

If, on any Determination Date, there is a Payment Shortfall, then the Manager must direct the Trustee to apply an amount of Principal Collections (in accordance with Part 6.4) on the Payment Date immediately following that Determination Date equal to the lesser of:

(a) the Payment Shortfall; and

(b) the amount of Principal Collections available for application for that purpose on the following Payment Date,

and apply it towards the Payment Shortfall (such amount being a "**Principal Draw**").

6.8 Liquidity Drawing

(a) If, on any Determination Date, there is a Liquidity Shortfall, the Manager must direct the Trustee to make a Liquidity Drawing on the Payment Date immediately following that Determination Date equal to the lesser of:

(i) the Liquidity Shortfall on that Determination Date; and

(ii) the Available Liquidity Amount on that Determination Date,

(such amount being a "**Liquidity Drawing**").

The Trustee must, if so directed by the Manager, make that Liquidity Drawing and have the proceeds deposited or transferred into the Collection Account on the relevant Payment Date.

6.9 Extraordinary Expense Reserve Account

(a) National Australia Bank Limited (as "**Extraordinary Expense Lender**") will, on the first Issue Date, make a deposit (of its own funds) to the Extraordinary Expense Reserve Account of an amount equal to the Extraordinary Expense Reserve Required Amount.

(b) Such deposit shall constitute an interest bearing loan from the Extraordinary Expense Lender to the Trustee ("**Extraordinary Expense Loan**").

(c) The interest on the Extraordinary Expense Loan shall equal the interest credited to the Extraordinary Expense Reserve Account from time to time.

(d) The Extraordinary Expense Loan is only repayable by the Trustee to the Extraordinary Expense Lender after all Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes have been redeemed in full, or otherwise to the extent there are funds available for that purpose in accordance with Part 6.11 and Part 6.15 following the occurrence of an Event of Default and enforcement of the General Security Agreement.

(e) If the Manager determines, on any Determination Date, that there is an Extraordinary Expense in respect of the immediately preceding Collection Period, then the Manager must direct the Trustee to withdraw from the Extraordinary Expense Reserve Account on the immediately following Payment Date an amount equal to the lesser of:

(i) the balance of the Extraordinary Expense Reserve Account on that day; and

(ii) the amount of that Extraordinary Expense, and apply that amount towards Total Available Income for that Collection Period (an "**Extraordinary Expense Draw**").

(f) If the Trustee becomes aware that the bank with which the Extraordinary Expense Reserve Account is maintained is no longer an Eligible Bank, the Trustee must immediately establish a new interest bearing Extraordinary Expense Reserve Account with an Eligible Bank and transfer the funds standing to the credit of the old Extraordinary Expense Reserve Account to the new Extraordinary Expense Reserve Account.

(g) The balance of the Extraordinary Expense Reserve Account will only be applied by the Trustee at the direction of the Manager as follows:

(i) on a Payment Date for the purpose of making an Extraordinary Expense Draw in accordance with Part 6.9(e);

(ii) to transfer the balance to a new Extraordinary Expense Reserve Account in accordance with Part 6.9(f) above;

(iii) in respect of any interest credited to the Extraordinary Expense Reserve Account, to be withdrawn and applied as Other Income for distribution under Part 6.11 on the immediately following Payment Date; and

(iv) at any time after all Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes have been redeemed in full, to the Extraordinary Expense Lender in repayment of the Extraordinary Expense Loan (to the extent not previously repaid).

(h) The balance of the Extraordinary Expense Reserve Account will not be treated as Collateral available for distribution by the Security Trustee in accordance with Part 6.15.

6.10 Calculation of Total Available Income

On each Determination Date, the Total Available Income is calculated as the aggregate of:

(a) any Available Income calculated in accordance with Part 6.5 on that Determination Date;

(b) any Principal Draw calculated in accordance with Part 6.7 on that Determination Date;

(c) any Liquidity Drawing calculated in accordance with Part 6.8 on that Determination Date; and

(d) any Extraordinary Expense Draw calculated in accordance with Part 6.9 on that Determination Date.

The Total Available Income in respect of a Determination Date must be applied on the immediately following Payment Date to meet Required Payments.

6.11 Income Distributions

Prior to the occurrence of an Event of Default and enforcement of the General Security Agreement, the Manager must direct the Trustee to pay (or direct the payment of) the following items in the following order of priority out of the Total Available Income (as calculated on the relevant Determination Date) on each Payment Date:

(a) first, up to $100 to the Participation Unitholder;

(b) next, in respect of the first Payment Date only, any Accrued Interest Adjustment due to the Seller;

(c) next, pari passu and rateably:

(i) any Taxes payable in relation to the Trust for the Collection Period immediately preceding that Payment Date (after the application of the balance of the Tax Account towards payment of such Taxes);

(ii) the Trustee's fee payable on that Payment Date;

(iii) the Servicer's fee payable on that Payment Date;

(iv) the Manager's fee payable on that Payment Date;

(v) the Trust Administrator's fee payable on that Payment Date;

(vi) the Security Trustee's fee payable on that Payment Date;

(vii) in reimbursement of any Enforcement Expenses incurred during the Collection Period immediately preceding that Payment Date; and

(viii) in reimbursement of any other Expenses of the Series incurred during the Collection Period immediately preceding that Payment Date;

(d) next, pari passu and rateably:

(i) to the Liquidity Facility Provider:

(A) towards payment of any fees payable by the Trustee to the Liquidity Facility Provider on that Payment Date under the Liquidity Facility Agreement (excluding, for the avoidance of doubt, any amount payable under clause 11 of the Liquidity Facility Agreement);

(B) towards payment of any interest payable by the Trustee under the Liquidity Facility Agreement for the Liquidity Interest Period ending on (but excluding) that Payment Date and any unpaid interest in respect of preceding Liquidity Interest Periods; and

(C) towards repayment or reimbursement of any Liquidity Drawing made before that Payment Date; and

(ii) towards payment to each Derivative Counterparty of all amounts due under the relevant Derivative Contract, excluding:

(A) any break costs in respect of the termination of that Derivative Contract to the extent that the Derivative Counterparty is the Defaulting Party or sole Affected Party (other than in relation to a Termination Event due to section 5(b)(i) ("Illegality"), section 5(b)(ii) ("Force Majeure Event") or section 5(b)(iii) ("Tax Event") of the Derivative Contract);

(B) any break costs in respect of the termination of that Derivative Contract to the extent it is being terminated as a result of the prepayment of any related Purchased Receivable, except to the extent the Trustee has received the applicable Prepayment Costs from the relevant Obligors during the Collection Period;

(e) next, pari passu and rateably:

(i) the Note Interest Amount for the Class A1-A Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Note Interest Amounts for the Class A1-A Notes in respect of preceding Interest Periods;

(ii) the Note Interest Amount for the Class A1-G Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Note Interest Amounts for the Class A1-G Notes in respect of preceding Interest Periods;

(iii) the Note Interest Amount for the Redraw Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Note Interest Amounts for the Redraw Notes in respect of preceding Interest Periods; and

(iv) to the Seller, the Redraw Interest (if any) due on that Payment Date plus any Redraw Interest remaining unpaid in respect of any preceding Payment Dates;

(f) next, the Note Interest Amount for the Class A2 Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Note Interest Amounts for the Class A2 Notes in respect of preceding Interest Periods;

(g) next, the Note Interest Amount for the Class B Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Note Interest Amount for the Class B Notes in respect of preceding Interest Periods;

(h) next, the Note Interest Amount for the Class C Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Note Interest Amounts for the Class C Notes in respect of preceding Interest Periods;

(i) next, the Note Interest Amount for the Class D Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Note Interest Amounts for the Class D Notes in respect of preceding Interest Periods;

(j) next, the Note Interest Amount for the Class E Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Note Interest Amounts for the Class E Notes in respect of preceding Interest Periods;

(k) next, the Note Interest Amount for the Class F Notes for the Interest Period ending on (but excluding) that Payment Date and any unpaid Note Interest Amounts for the Class F Notes in respect of preceding Interest Periods;

(l) next, as an allocation to Principal Collections, all Principal Draws which have not been repaid as at that Payment Date;

(m) next, as an allocation to Principal Collections, an amount equal to the aggregate of any Losses (calculated on that Determination Date) in respect of the immediately preceding Collection Period;

(n) next, as an allocation to Principal Collections, an amount equal to the aggregate of any Carryover Principal Charge-Offs (calculated in respect of previous Determination Dates which have not been reimbursed on or before that Payment Date) referable to the Class A1 Notes and the Redraw Notes;

(o) next, as an allocation to Principal Collections, an amount equal to the aggregate of any Carryover Principal Charge-Offs (calculated in respect of previous Determination Dates which have not been reimbursed on or before that Payment Date) referable to the Class A2 Notes;

(p) next, as an allocation to Principal Collections, an amount equal to the aggregate of any Carryover Principal Charge-Offs (calculated in respect of previous Determination

Dates which have not been reimbursed on or before that Payment Date) referable to the Class B Notes;

(q) next, as an allocation to Principal Collections, an amount equal to the aggregate of any Carryover Principal Charge-Offs (calculated in respect of previous Determination Dates which have not been reimbursed on or before that Payment Date) referable to the Class C Notes;

(r) next, as an allocation to Principal Collections, an amount equal to the aggregate of any Carryover Principal Charge-Offs (calculated in respect of previous Determination Dates which have not been reimbursed on or before that Payment Date) referable to the Class D Notes;

(s) next, as an allocation to Principal Collections, an amount equal to the aggregate of any Carryover Principal Charge-Offs (calculated in respect of previous Determination Dates which have not been reimbursed on or before that Payment Date) referable to the Class E Notes;

(t) next, as an allocation to Principal Collections, an amount equal to the aggregate of any Carryover Principal Charge-Offs (calculated in respect of previous Determination Dates which have not been reimbursed on or before that Payment Date) referable to the Class F Notes;

(u) next, as an allocation to the Extraordinary Expense Reserve Account until the balance of the Extraordinary Expense Reserve Account is equal to the Extraordinary Expense Reserve Required Amount;

(v) next, pari passu and rateably:

(i) any other amounts payable on or prior to that Payment Date to the Liquidity Facility Provider under the Liquidity Facility Agreement (to the extent not paid under Part 6.11(d)(i);

(ii) any indemnity amount payable on or prior to that Payment Date to the Dealer under clause 14.1 ("Indemnity by the Trustee and Manager") of the Dealer Agreement; and

(iii) next, to pay to the Extraordinary Expense Lender any interest payable on or prior to that Payment Date in respect of the Extraordinary Expense Loan;

(w) next, to retain in the Tax Account an amount equal to the Tax Shortfall (if any) in respect of that Payment Date;

(x) next pari passu and rateably towards payment to each Derivative Counterparty (of any amounts payable to it under a Derivative Contract (to the extent not otherwise paid under Part 6.11(d)(ii);

(y) next, to be applied as a deposit to the Loss Allocation Reserve Account until the Loss Allocation Reserve Account Balance is equal to the Loss Allocation Reserve Maximum Balance; and

(z) next, as to any surplus, to the Participation Unitholder by way of distribution of the income of the Trust.

6.12 Carryover Principal Charge-Offs

If, on any Determination Date, the Manager determines that there are Principal Charge-Offs in respect of that Determination Date, the Manager must, on and with effect from the next Payment Date, allocate such Principal Charge-Offs in the following order:

(a) first, to reduce the Aggregate Stated Amount of the Class F Notes until the Aggregate Stated Amount of the Class F Notes (as at that Determination Date) is reduced to zero;

(b) next, to reduce the Aggregate Stated Amount of the Class E Notes until the Aggregate Stated Amount of the Class E Notes (as at that Determination Date) is reduced to zero;

(c) next, to reduce the Aggregate Stated Amount of the Class D Notes until the Aggregate Stated Amount of the Class D Notes (as at that Determination Date) is reduced to zero;

(d) next, to reduce the Aggregate Stated Amount of the Class C Notes until the Aggregate Stated Amount of the Class C Notes (as at that Determination Date) is reduced to zero;

(e) next, to reduce the Aggregate Stated Amount of the Class B Notes until the Aggregate Stated Amount of the Class B Notes (as at that Determination Date) is reduced to zero; and

(f) next, to reduce the Aggregate Stated Amount of the Class A2 Notes until the Aggregate Stated Amount of the Class A2 Notes (as at that Determination Date) is reduced to zero;

(g) next, pari passu and rateably to reduce:

(i) the Aggregate Stated Amount of the Class A1 Notes until the Aggregate Stated Amount of the Class A1 Notes (as at that Determination Date) is reduced to zero; and

(ii) the Aggregate Stated Amount of the Redraw Notes until the Aggregate Stated Amount of the Redraw Notes (as at that Determination Date) is reduced to zero,

(each a "**Carryover Principal Charge-Off**").

6.13 Reinstatement of Carryover Principal Charge-Offs

To the extent that on any Payment Date amounts are available for allocation under paragraphs (n), (o)(p), (p), (q), (r), (s) and (t) of Part 6.11 ("Income Distributions"), then an amount equal to these amounts shall be applied on that Payment Date to increase respectively:

(a) first, pari passu and rateably:

(i) the Aggregate Stated Amount of the Class A1 Notes, until it reaches the Aggregate Invested Amount of the Class A1 Notes (as at that Determination Date); and

(ii) the Aggregate Stated Amount of the Redraw Notes until it reaches the Aggregate Invested Amount of the Redraw Notes (as at that Determination Date);

(b) next, the Aggregate Stated Amount of the Class A2 Notes until it reaches the Aggregate Invested Amount of the Class A2 Notes (as at that Determination Date);

(c) next, the Aggregate Stated Amount of the Class B Notes until it reaches the Aggregate Invested Amount of the Class B Notes (as at that Determination Date);

(d) next, the Aggregate Stated Amount of the Class C Notes until it reaches the Aggregate Invested Amount of the Class C Notes (as at that Determination Date);

(e) next, the Aggregate Stated Amount of the Class D Notes until it reaches the Aggregate Invested Amount of the Class D Notes (as at that Determination Date);

(f) next, the Aggregate Stated Amount of the Class E Notes until it reaches the Aggregate Invested Amount of the Class E Notes (as at that Determination Date); and

(g) next, the Aggregate Stated Amount of the Class F Notes until it reaches the Aggregate Invested Amount of the Class F Notes (as at that Determination Date).

6.14 Subordination Conditions

The Subordination Conditions are satisfied on a Payment Date if:

(a) that Payment Date falls:

(i) on or after the Determination Date that falls on or after the second anniversary of the Closing Date; and

(ii) prior to the first Call Option Date;

(b) on the Determination Date immediately prior to that Payment Date:

(i) the aggregate Invested Amount of all Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and Class F Notes on the immediately preceding Determination Date is equal to or greater than 18% of the aggregate Invested Amount of all Notes on that Determination Date;

(ii) there are no Carryover Principal Charge-Offs; and

(iii) the Average Arrears Ratio on that Determination Date does not exceed 4.0%.

6.15 Application of proceeds following an Event of Default

Following the occurrence of an Event of Default and enforcement of the Security Interest, the Security Trustee must apply all moneys received by it in respect of the Collateral in the following order:

(a) first, to pay pari passu and rateably amounts owing or payable under the Security Trust Deed to indemnify the Security Trustee against all loss and liability incurred by the Security Trustee or any receiver in acting under the Security Trust Deed, including the Receiver's remuneration;

(b) next, to pay pari passu and rateably any security interests over the Series Assets of which the Security Trustee is aware having priority to the General Security Agreement in the order of their priority;

(c) next, to pay pari passu and rateably all Secured Money owing to the Trustee and the Security Trustee;

(d) next, to pay pari passu and rateably all Secured Money owing to the Manager, the Trust Administrator and the Servicer;

(e) next, to pay pari passu and rateably:

(iii) all Secured Money owing to the Liquidity Facility Provider (excluding, for the avoidance of doubt, any amount payable to the Liquidity Facility Provider under the Liquidity Facility Agreement due to certain events causing an increase in funding costs);

(iv) all Secured Money owing to each to each Derivative Counterparty under each Derivative Contract (excluding any break costs in respect of the termination of that Derivative Contract to the extent that the Derivative Counterparty is the Defaulting Party or sole Affected Party (other than in relation to a Termination Event (as defined in the Derivative Contract) due to section 5(b)(i) ("Illegality"), section 5(b)(ii) ("Force Majeure Event") or section 5(b)(iii) ("Tax Event") of the Derivative Contract); and

(f) all Secured Money owing to the Seller in respect of unreimbursed Redraws;

(g) next, all Secured Moneys owing in relation to the Class A1 Notes and the Redraw Notes to be applied:

(i) first, pari passu and rateably towards all unpaid interest on the Class A1 Notes and the Redraw Notes; and

(ii) next, pari passu and rateably to reduce the aggregate Invested Amount of the Class A1 Notes and the Redraw Notes;

(h) next, all Secured Money owing in relation to the Class A2 Notes to be applied:

(i) first, pari passu and rateably towards all unpaid interest on the Class A2 Notes;

(ii) next, pari passu and rateably to reduce the aggregate Invested Amount of the Class A2 Notes;

(i) next, all Secured Money owing in relation to the Class B Notes to be applied:

(i) first, pari passu and rateably towards all unpaid interest on the Class B Notes;

(ii) next, pari passu and rateably to reduce the aggregate Invested Amount of the Class B Notes;

(j) next, all Secured Money owing in relation to the Class C Notes to be applied:

(i) first, pari passu and rateably towards all unpaid interest on the Class C Notes;

(ii) next, pari passu and rateably to reduce the aggregate Invested Amount of the Class C Notes;

(k) next, all Secured Money owing in relation to the Class D Notes to be applied:

(i) first, pari passu and rateably towards all unpaid interest on the Class D Notes;

(ii) next, pari passu and rateably to reduce the aggregate Invested Amount of the Class D Notes;

(l) next, all Secured Money owing in relation to the Class E Notes to be applied:

(i) first, pari passu and rateably towards all unpaid interest on the Class E Notes;

(ii) next, pari passu and rateably to reduce the aggregate Invested Amount of the Class E Notes;

(m) next, all Secured Money owing in relation to the Class F Notes to be applied:

(i) first, pari passu and rateably towards all unpaid interest on the Class F Notes;

(ii) next, pari passu and rateably to reduce the aggregate Invested Amount of the Class F Notes;

(n) next, pay pari passu and rateably:

(i) all other Secured Money owing to the Liquidity Facility Provider not paid under the preceding paragraphs; and

(ii) all other Secured Money owing to each Derivative Counterparty not paid under the preceding paragraphs;

(o) next, to pay pari passu and rateably to each Secured Creditor any Secured Money owing to that Secured Creditor under any Transaction Document and not satisfied under the preceding paragraphs;

(p) next, to pay subsequent security interests over the Series Assets of which the Security Trustee is aware, in the order of their priority; and

(q) next, to pay any surplus to the Trustee to be distributed in accordance with the terms of the Master Trust Deed and the Issue Supplement. The surplus will not carry interest as against the Security Trustee.

6.16 Seller's gross up for set-off

If:

(a) the Seller exercises a right of set-off or combination in respect of any Purchased Receivable; or

(b) any right of set-off is exercised against the Seller in respect of any Purchased Receivable; or

(c) any amount which would otherwise be payable by the relevant Obligor to the Seller in respect of any Purchased Receivable is discharged or reduced solely as a result of the terms of a linked deposit account,

the Seller must pay to the Servicer (as part of the Collections to be deposited by the Servicer into the Collections Account in accordance with the Transaction Documents), subject to any laws relating to preferences (or the equivalent), the amount of, respectively, any such benefit accruing to the Seller as a result of the exercise of its right of set-off or combination or the amount of such any right of set-off exercised against the Seller or the amount of any such discharge or reduction (as applicable). The Seller must make such payment within one Business Day of the day the relevant amount would otherwise have been received under the terms of the relevant Purchased Receivable.

6.17 Redraw Notes

(a) Subject to paragraph (b), if at any time the Manager reasonably forms the view that the Principal Collections (as estimated by the Manager) that will be available to fund the making or reimbursement of Redraws in accordance with Part 6.2 ("Distributions during a Collection Period") will be less than the Manager's estimate of the amounts required to fund such Redraws (a "**Redraw Shortfall**") then the Manager may (in its discretion) direct the Trustee to issue Redraw Notes with such Initial Invested Amount as may be determined by the Manager having regard to the Redraw Shortfall.

(b) The Manager may only direct the Trustee to issue Redraw Notes if a Rating Notification has been provided in respect of the issuance of Redraw Notes.

6.18 Further Advance

If during a Collection Period, an Obligor requests that the making of a Further Advance or Product Change in respect of a Purchased Receivable and the Servicer proposes to consent to the making of that Further Advance or Product Change (as applicable), then:

(a) the Manager must direct the Trustee to deliver an Offer to Sell Back in respect of that Purchased Receivable to the Seller in accordance with the Sale Deed; and

(b) the Seller must accept that Offer to Sell Back by the payment of an amount equal to the Outstanding Principal Balance (plus any accrued but unpaid interest), determined as at the relevant settlement date specified in that Offer to Sell Back, in respect of that Purchased Receivable.

6.19 Loss Allocation Reserve Account

(a) The Trust Manager must maintain the Loss Allocation Reserve Account by recording:

  (i) all deposits as a credit to the Loss Allocation Reserve Account; and

  (ii) all withdrawals as a debit from the Loss Allocation Reserve Account.

(b) Amounts in the Loss Allocation Reserve Account:

  (i) may only be applied to make a Loss Allocation Reserve Draw in accordance with Part 6.6; and

  (ii) will constitute Secured Property available for distribution in accordance with Part 6.15.

7 Part 7 – Transaction Structure

7.1 General Features of the Trust

Constitution of the Trust

The Trust was established in and subject to the laws of New South Wales on 1 November 2017, by the execution of the Notice of Creation of Trust and the lodgement with the Trustee of the sum of A$10 by the initial holders of the units in the Trust.

The detailed terms of the Trust are set out in the Master Trust Deed, the Notice of Creation of Trust, the Security Trust Deed and the Issue Supplement for the Series. An unlimited number of trusts may be established under the Master Trust Deed. The Trust is separate and distinct from any other trust established under the Master Trust Deed.

The Trust may only act through the Trustee as trustee of the Trust. Accordingly, references to actions or obligations of the Trustee refer to such actions or obligations of the Trust.

The Trust will terminate on the earlier of:

(a) the day before the eightieth anniversary of the date it begins; and

(b) the date on which the Trust Administrator notifies the Trustee that it is satisfied that the Secured Money of the Series has been unconditionally and irrevocably repaid in full.

Purpose of the Trust

The Trust has been established as a special purpose entity for the purpose of:

(a) acquiring (and disposing of) the Purchased Receivables, and acquiring (and disposing of) Authorised Investments, in accordance with the Transaction Documents;

(b) issuing (and redeeming) the Notes and the Units in accordance with the Transaction Documents; and

(c) entering into, performing its obligations and exercising its rights under and taking any action contemplated by any of the Transaction Documents.

As at the Closing Date, and prior to the issue of the Notes, the Trust has not commenced operations and the Trust will, following the Closing Date, undertake no activity other than that contemplated by the Transaction Documents.

Capital

The beneficial interest in the Trust will be represented by:

- ten Residual Units; and
- one Participation Unit.

The initial holder of the ten Residual Units will be National Australia Bank Limited (ABN 12 004 044 937).

The initial holder of the one Participation Unit will be National Australia Bank Limited (ABN 12 004 044 937).

Series Segregation

The Master Trust Deed and the Security Trust Deed establish the framework under which "series" may be created in respect of any trust established pursuant to the National RMBS Trust Programme. An unlimited number of series may be created in respect of any such trust.

The assets of the Trust are allocated to separate "series", each established by the execution of a "notice of creation of security trust", "general security agreement" and "issue supplement" for that series by the Trustee in accordance with the Master Trust Deed and the Security Trust Deed.

A series will comprise the assets allocated to it by the Trustee and liabilities incurred by the Trustee in respect of that series (including liabilities under the relevant notes). The liabilities of a series will be secured against those assets under the relevant general security agreement for that series. The assets of a series of a trust are not available to meet the liabilities of any other series of that trust or any other trust.

The series created by the Issue Supplement is known as "Series 2018-1" (the "**Series**"). No "Other Series" (as defined in the Security Trust Deed) in respect of the Trust will be issued by the Trustee.

Tax Consolidation of the Trust

The Trust will be a subsidiary member of a consolidated group with National Australia Bank Limited as its head company. The Trustee will enter into a tax sharing agreement to ensure that it is liable only for an allocated share of the tax liability of the consolidated group. It is expected that the allocated share of that liability will be nil.

7.2 Series Assets

The Series Assets of the Series will include the following:

(a) the Receivables and Related Securities to be acquired by the Trustee in respect of the Series on the Closing Date;

(b) the Collection Account;

(c) any Authorised Investments acquired by the Trustee in respect of the Series; and

(d) the Trustee's rights under the Transaction Documents in respect of the Series.

The Receivables

The Receivables are secured by registered first ranking mortgages or second ranking mortgages as contemplated by Part 1.7(e)(ii) on properties located in Australia. The Receivables were originated by NAB either through its Proprietary Channel or its Third Party Channel (as set out in Part 4). The Receivables are either fixed rate (but only for a limited period, generally no longer than 10 years, with the rate at the end of such period, either converting to a new fixed rate for another limited period or to a variable rate) or variable rate loans.

Acquisition of Receivables and Related Securities

The Receivables and Related Securities which will comprise Series Assets of the Series will be sold (by way of equitable assignment) to the Trustee in respect of the Series on the Closing Date, by the Seller, in accordance with the procedures set out in the Sale Deed.

As a result of such sale, on the Closing Date all rights relating to the Receivables and Related Securities will cease to be assets of the Seller (as the case may be) and instead such

Receivables and Related Securities will be held by the Trustee as trustee of the Trust and in respect of the Series.

Representations and warranties

NAB will represent and warrant to the Trustee in relation to the Receivables to be acquired by the Trustee on the Closing Date that each Receivable and Related Security referred to in the Offer to Sell under the Sale Deed is a Qualifying Receivable.

If NAB, the Manager or the Trustee becomes aware that the representation and warranty from the Seller relating to any Purchased Receivable is materially incorrect when given it must give such notice with all relevant details to the other and (in the case of NAB only) to each Designated Rating Agency within 5 Business Days of becoming aware.

If the representation and warranty is materially incorrect when given and notice of this is given not later than 5 Business Days prior to the date that is 120 days after the Closing Date (the "**Prescribed Period**"), and NAB does not remedy the breach (in a manner determined by it) to the satisfaction of the Trustee within that 5 Business Days of NAB giving or receiving the notice (as the case may be), the Manager must direct the Trustee to deliver an Offer to Sell Back in respect of that Purchased Receivable for a price equal to the Outstanding Principal Balance of that Purchased Receivable plus any accrued but unpaid interest in respect of that Purchased Receivable.

If the breach of a representation or warranty in relation to a Purchased Receivable is discovered after the last day on which notices can be given during the Prescribed Period, then, if NAB does not remedy the breach (in a manner determined by it) to the satisfaction of the Trustee or the Manager within 5 Business Days of NAB giving or receiving the notice (as the case may be) (or any longer period that the Trustee and the Manager permits), NAB must pay damages to the Trustee for any direct loss suffered by the Trustee as a result. The maximum amount which NAB is liable to pay is the principal amount outstanding and any accrued but unpaid interest in respect of the Purchased Receivables at the time of payment of the damages. This is the Trustee's only remedy for a breach of any representation and warranty which is found after the last day on which a notice can be given during the Prescribed Period.

Realisation of Series Assets

Upon the occurrence of the Termination Date of the Trust, the Trustee, at the direction of the Manager, must sell and realise the Series Assets of the Series (and, in relation to the sale (other than as described below) of any Purchased Receivables, the Manager must obtain appropriate expert advice prior to the sale) and such sale (so far as is reasonably practicable and reasonably commercially viable) must be completed within 180 days of the Termination Date of the Trust provided that during the period of 180 days from that Termination Date:

(a) the Manager must not direct the Trustee to sell the Purchased Receivables at less than an amount equal to the Repurchase Price of the Purchased Receivables;

(b) the Manager must not direct the Trustee to sell any Purchased Receivables unless the sale is on terms described below; and

(c) the Manager must not direct the Trustee to sell any Purchased Receivables unless it has first offered the Purchased Receivables for sale to NAB or any other person nominated by NAB ("**Purchaser**") as described below and the Purchaser has either not accepted that offer within 90 days of that Termination Date or has accepted that offer but not paid the consideration due by the time described below.

The Trustee must not conclude a sale, except as described above, unless:

(a) any Purchased Receivables sold pursuant to that sale are assigned in equity only (unless the Trustee already holds legal title to such Purchased Receivables);

(b) the sale is expressly subject to the Servicer's rights to be retained as Servicer of the Purchased Receivables in accordance with the terms of the Issue Supplement; and

(c) the sale is expressly subject to the rights of the Seller Trust in respect of those Purchased Receivables.

Right of refusal

On the Termination Date of the Trust, the Trustee is deemed to irrevocably offer to sell to the Purchaser, its entire right, title and interest in the Purchased Receivables in return for the payment to the Trustee of an amount equal to the Repurchase Price (as at the Termination Date of the Trust) of the Purchased Receivables.

The Purchaser may verbally accept the offer referred to above within 90 days after the Termination Date of the Trust and having accepted the offer, must pay to the Trustee, in immediately available funds, the amount referred to above by the expiration of 180 days after the Termination Date of the Trust. If the Purchaser accepts such offer, the Trustee must execute whatever documents the Purchaser reasonably requires to complete the sale of the Trustee's rights, title and interest in the Purchased Receivables.

The Trustee must not sell any Purchased Receivables referred to above unless the Purchaser has failed to accept the offer referred to above within 90 days after the Termination Date of the Trust or, having accepted the offer, has failed to pay the amount referred to above by the expiration of 180 days after the Termination Date of the Trust.

7.3 Entitlement of holders of the Residual Units and holder of the Participation Unit

The beneficial interest in the assets of the Trust is vested in the Residual Unitholder and the Participation Unitholder in accordance with the terms of the Master Trust Deed and the issue supplement for the Series.

Entitlement to payments

The Residual Unitholder and the Participation Unitholder have the right to receive distributions only to the extent that funds are available for distribution to them in accordance with the Issue Supplement. Subject to this, the Residual Unitholder and the Participation Unitholder have no right to receive distributions other than a right to receive on the termination of the Trust the amount of the initial investment it made in respect of the Trust and any other surplus Series Assets of the Series on its termination in accordance with the terms of the Master Trust Deed.

Transfer

The Residual Units and the Participation Units may be transferred in accordance with the Master Trust Deed. The Residual Units and the Participation Unit may only be transferred if the Trustee agrees.

Ranking

The rights, claims and interest of the Participation Unitholder and the Residual Unitholder at all times rank after, and are subject to, the interests of the Secured Creditors of the Series.

Restricted rights

Under the Master Trust Deed, the Participation Unitholder and the Residual Unitholder are not entitled to:

(a) exercise a right or power in respect of, lodge a caveat of other notice affecting, or otherwise claim any interest in, any Series Assets of the Series; or

(b) require the Trustee or any other person to transfer a Series Asset to it; or

(c) interfere with any powers of the Trust Administrator, the Manager or the Trustee under the Transaction Document; or

(d) take any step to remove the Trust Administrator, the Manager or the Trustee; or

(e) take any step to end the Trust.

7.4 The Trustee

The Trustee has been appointed as trustee of the Trust. The Trustee will issue Notes in its capacity as trustee of the Trust.

Powers of the Trustee

The Trustee has all the powers in respect of the Trust that it is legally possible for a natural person or corporation to have and as though it were the absolute owner of the Series Assets and acting in its personal capacity. For example, the Trustee has power to borrow (whether or not on security) and to incur all types of obligations and liabilities.

Delegation by the Trustee

(a) Subject to paragraphs (b) and (c), the Trustee may employ agents and attorneys and may delegate any of its rights or obligations as trustee without notifying any person of the delegation.

(b) The Trustee is not responsible or liable to any Unitholder or Secured Creditor for any act or omission of any delegate appointed by the Trustee if:

(i) the Trustee appoints the delegate in good faith and using reasonable care, and the delegate is not an officer or employee of the Trustee; or

(ii) the delegate is a clearing system; or

(iii) the Trustee is obliged to appoint the delegate pursuant to an express provision of a Transaction Document or pursuant to an instruction given to the Trustee in accordance with a Transaction Document; or

(iv) the Trust Administrator consents to the delegation in accordance with paragraph (c).

(c) The Trustee agrees that it will not:

(i) delegate a material part of its rights or obligations under the Master Trust Deed; or

(ii) appoint any Related Entity of it as its delegate,

unless it has received the prior written consent of the Trust Administrator.

Trustee's undertakings

The Trustee undertakes that it will (among other things), in respect of the Series:

(a) comply with its obligations under the Transaction Documents of the Series;

(b) carry on the Series Business at the direction of the Manager and as contemplated by the Transaction Documents of the Series;

(c) not to do anything which is not part of the Series Business, without the Security Trustee's consent;

(d) obtain, review on time and comply with the terms of each authorisation necessary for it to enter into the Transaction Documents and comply with its obligations under them;

(e) comply with all laws and requirements of authorities affecting it and the Series Business;

(f) at the direction of the Manager, take action that a prudent, diligent and reasonable person would take to ensure that each counterparty complies with its obligations in connection with the Transaction Documents of the Series;

(g) notify the Security Trustee if it becomes aware that any counterparty has not complied with any of its obligations in connection with a Transaction Document of the Series, unless the Manager has already notified the Security Trustee;

(h) not do anything to create any Encumbrances (other than the applicable Security Interest) over the Collateral;

(i) not commingle the Collateral of the Series with any of its other assets or the assets of any other person (other than as permitted under the Transaction Documents of the Series);

(j) not amend the Transaction Documents of the Series without the Security Trustee's consent;

(k) not assign or otherwise deal with the Security Interest or any interest in it, or allow any interest in it to arise or be varied (other than as permitted under the Transaction Documents of the Series).

Trustee fees and expenses

In consideration for performing its functions under the Transaction Documents, the Trustee is entitled to a fee (as agreed between the Manager and the Trustee from time to time).

All expenses incurred by the Trustee in connection with the Series in accordance with the Transaction Documents or in exercising their powers under the Transaction Documents are payable or reimbursable out of the Series Assets of the Series.

Trustee's voluntary retirement

The Trustee may retire as trustee of the Trust by giving the Trust Administrator at least 90 days' notice of its intention to do so. The retirement of the Trustee takes effect when:

(a) a successor trustee is appointed for the Trust; and

(b) the successor trustee obtains title to, or obtains the benefit of, each Transaction Document of the Trust to which the Trustee is a party as trustee of the Trust; and

(c) the successor trustee and each other party to the Transaction Documents to which the Trustee is a party as trustee of the Trust have the same rights and obligations among themselves as they would have had if the successor trustee had been party to them at the dates of those documents.

Mandatory retirement

The Trustee must retire as trustee of the Trust if:

(a) the Trustee becomes Insolvent; or

(b) required by law; or

(c) the Trustee ceases to carry on business as a professional trustee; or

(d) the Trustee merges or consolidates with another entity and unless that entity assumes the obligations of the Trustee under the Transaction Documents of that Trust and each Designated Rating Agency has been notified of the proposed retirement.

In addition, the Trust Administrator must request the Trustee to and the Trustee must (if so requested) retire as trustee of the Trust if the Trustee does not comply with a material obligation under the Transaction Documents and, if the non-compliance can be remedied, the Trustee does not remedy the non-compliance within 30 days of being requested to do so by the Trust Administrator.

7.5 Indemnity and limitation of liability

The Trustee is indemnified out of the Series Assets of the Series against any liability or loss arising from, and any costs properly incurred in connection with, complying with its obligations or exercising its rights under the Transaction Documents of the Series.

To the extent permitted by law, this indemnity applies despite any reduction in value of, or other loss in connection with, the Series Assets of the Series as a result of any unrelated act or omission by the Trustee or any person acting on its behalf.

The indemnity does not extend to any liabilities, losses or costs to the extent that they are due to the Trustee's fraud, negligence or wilful default.

Legal Costs

The costs referred to above include all legal costs in accordance with any written agreement as to legal costs or, if no agreement, on whichever is the higher of a full indemnity basis or solicitor and own client basis.

These legal costs include any legal costs which the Trustee incurs in connection with proceedings brought against it alleging fraud, negligence or wilful default on its part in relation to the Series. However, the Trustee must repay any amount paid to it in respect of those legal costs under the above paragraph if and to the extent that a court determines that the Trustee was fraudulent, negligent or in wilful misconduct in relation to the Series or the Trustee admits it.

Limitation of Trustee's liability

The Trustee enters into the Transaction Documents of the Series only in its capacity as trustee of the Trust and in no other capacity. Notwithstanding any other provisions of the Transaction Documents, a liability arising under or in connection with the Transaction Documents of the Series is limited to and can be enforced against the Trustee only to the extent to which it can be satisfied out of the Series Assets of the Series out of which the Trustee is actually indemnified for the liability. This limitation of the Trustee's liability applies despite any other provision of any Transaction Document of the Series and extends to all liabilities and obligation of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to any Transaction Document of the Series.

The parties (other than the Trustee) may not sue the Trustee in any capacity other than as trustee of the Trust, including seek the appointment of a receiver (except in relation to the Series Assets of the Series), a liquidator, an administrator or any similar person to the Trustee or prove in any liquidation, administration or arrangement of or affecting the Trustee (except in relation to the Series Assets of the Series).

The Trustee’s limitation of liability shall not apply to any obligation or liability of the Trustee to the extent that it is not satisfied because under the Master Trust Deed or by operation of law there is a reduction in the extent of the Trustee’s indemnification out of the Series Assets of the Series as a result of the Trustee’s fraud, negligence or wilful default in relation to the Series or the Trust.

The Relevant Parties are responsible under the Master Trust Deed and the other Transaction Documents of the Series for performing a variety of obligations relating to the Trust. No act or omission of the Trustee (including any related failure to satisfy its obligations or breach of representation or warranty under the Master Trust Deed or any other Transaction Document of the Series) will be considered fraud, negligence or wilful default of the Trustee to the extent to which the act or omission was caused or contributed to by any failure by any Relevant Party or any other person to fulfil its obligations relating to the Trust or by any other act or omission of any Relevant Party or any other person.

No attorney, agent, receiver or receiver and manager appointed in accordance with the Master Trust Deed or any other Transaction Document of the Series has authority to act on behalf of the Trustee in a way which exposes the Trustee to any personal liability and no act or omission of any such person will be considered fraud, negligence or wilful default of the Trustee for the purpose of this section.

The Trustee is not obliged to do or refrain from doing anything under the Master Trust Deed or any other Transaction Document of the Series (including incur any liability) unless the Trustee’s liability is limited in the same manner as set out in this section.

A reference to “wilful default” in relation to the Trustee means any wilful failure to comply with or wilful breach by the Trustee of any of its obligations under the Master Trust Deed, other than a failure or breach which:

(a) is in accordance with a lawful court order or direction or required by law;

(b) is in accordance with a proper instruction or direction given by the Manager of the Series or from any other person permitted to give such instruction or direction under the Transaction Document of the Series; or

(c) arose as a result of a breach by a person (other than the Trustee) of any of its obligations under the Transaction Documents of a Series and performance of the action (or non performance of which gave rise to such breach) is a precondition to the Trustee performing its obligations under the Master Trust Deed.

Liability must be limited and must be indemnified

The Trustee is not obliged to do or not do any thing in connection with the Transaction Documents (including enter into any transaction or incur any liability) unless:

(a) the Trustee’s liability is limited in a manner which is consistent with this Part 7.5; and

(b) it is indemnified against any liability or loss arising from, and any costs properly incurred in connection with, doing or not doing that thing in a manner which is consistent with this Part 7.5.

Exoneration

Neither the Trustee nor any of its directors, officers, employees, agents or attorneys will be taken to be fraudulent, negligent or in wilful default in certain circumstances including (but not limited to) because:

(a) any person other than the Trustee does not comply with its obligations under the Transaction Documents; or

(b) of the financial condition of any person other than the Trustee; or

(c) any statement, representation or warranty of any person other than the Trustee in a Transaction Document is incorrect or misleading; or

(d) of any omission from or statement or information contained in any information memorandum or any advertisement, circular or other document issued in connection with any Notes; or

(e) of the lack of effectiveness, genuineness, validity, enforceability, admissibility in evidence or sufficiency of the Transaction Documents or any document signed or delivered in connection with the Transaction Documents; or

(f) of acting, or not acting, in accordance with instructions of:

    (i) the Manager;

    (ii) any other person permitted to give instructions or directions to the Trustee under the Transaction Documents (or instructions or directions that the Trustee believes to be genuine and to have been given by an appropriate officer of any such person); or

    (iii) any person to whom the Manager has delegated any of its rights or obligations in its capacity as manager, as notified by the Manager to the Trustee.

(g) of acting, or not acting, in good faith in reliance on:

    (i) any communication or document that the Trustee believes to be genuine and correct and to have been signed or sent by the appropriate person; or

    (ii) any opinion or advice of any legal, accounting, taxation or other professional advisers used by it or any other party to a Transaction Document in relation to any legal, accounting, taxation or other matters; or

    (iii) the contents of any statements, representation or warranties made or given by any party other than itself pursuant to the Master Trust Deed, or direction from the Manager provided in accordance with the Transaction Documents or from any other person permitted to give such instructions or directions under the Transaction Documents; or

    (iv) any calculations made by the Manager under any Transaction Document (including without limitation any calculation in connection with the collections in respect of the Series).

No supervision

Except as expressly set out in the Transaction Documents, the Trustee has no obligation to supervise, monitor or investigate the performance of the Trust Administrator, the Manager or any other person.

7.6 The Trust Administrator

Appointment of the Trust Administrator

Under the Trust Administration Deed, the Trustee appoints the Trust Administrator as its exclusive trust administrator of the Trust to perform the services described in the Trust Administration Deed on behalf of the Trustee.

Obligations of the Trust Administrator

Under the Trust Administration Deed, the Trust Administrator (amongst other things) carries on certain of the day to day administration, supervision and management of the Trust in accordance with the Transaction Documents for the Trust.

The Trust Administration Deed contains various provisions relating to the Trust Administrator's exercise of its powers and duties under the Trust Administration Deed, including provisions entitling the Trust Administrator to act on expert advice.

Delegation by the Trust Administrator

The Trust Administrator may employ agents and attorneys and may delegate any of its rights or obligations in its capacity as manager and must notify the Trustee of the delegation. The Trust Administrator agrees to exercise reasonable care in selecting delegates and to supervise their actions, and is responsible for loss arising due to any acts or omissions of any person appointed as delegate and for the payment of any fees of that person.

Trust Administrator's voluntary retirement

The Trust Administrator may retire as manager of the Trust upon giving the Trustee 90 days' notice of its intention to do so. The Trust Administrator's retirement takes effect when a successor trust administrator is appointed for the Trust.

Trust Administrator's mandatory retirement

The Trust Administrator must retire as trust administrator of the Trust if the Trust Administrator becomes Insolvent or is required by law to retire. The Trust Administrator's retirement take effect when a successor trust administrator is appointed for the Trust.

Removal of the Trust Administrator

The Trustee may remove the Trust Administrator as trust administrator of the Trust by giving the Trust Administrator 90 days' notice if at the time it gives the notice:

(a) the Trust Administrator does not comply with an obligation under the Transaction Documents of any series of the Trust where such non-compliance has a Material Adverse Effect and is not remedied within 30 days; and

(b) each Designated Rating Agency has been notified by the Trust Administrator of the proposed removal.

Appointment of successor trust administrator

If the Trust Administrator retires or is removed as trust administrator of the Series, the retiring Trust Administrator agrees to use its best endeavours to appoint a person to replace the Trust Administrator as trust administrator as soon as possible. If a successor trust administrator is not appointed within 90 days after notice of retirement or removal is given, the Trustee may appoint a successor trust administrator for the Trust. The appointment of a successor trust administrator will only take effect once the successor trust administrator has become bound by the Transaction Documents and each Designated Rating Agency has been notified of the proposed appointment of the successor trust administrator.

Fee

The Trust Administrator is entitled to be paid a fee by the Trustee for performing its duties under the Trust Administration Deed in respect of the Series (on terms agreed between the Trust Administrator, the Manager and the Trustee).

7.7 The Manager

Appointment of the Manager

Under the Management Deed, the Trustee appoints the Manager as its exclusive manager of the Series Business of the Series to perform the services described in the Management Deed on behalf of the Trustee.

Manager's duties

Under the Management Deed, the Manager must (among other things) direct the Trustee in relation to how to carry on the Series Business, including:

(a) the Trustee entering into any document in connection with the Series and the form of these documents;

(b) the Trustee issuing Notes;

(c) the Trustee originating, acquiring, disposing of, or otherwise dealing with any Series Assets; and

(d) the Trustee exercising its rights or complying with its obligations under the Transaction Documents.

The Management Deed contains various provisions relating to the Manager's exercise of its powers and duties under the Management Deed, including provisions entitling the Manager to act on expert advice.

Delegation by the Manager

The Manager may employ agents and attorneys and may delegate any of its rights or obligations in its capacity as manager. The Manager agrees to give notice to the Trustee of any such delegation. The Manager must exercise reasonable care in selecting delegates and to supervise their actions, and is responsible for loss arising due to any acts or omissions of any person appointed as delegate and for the payment of any fees of that person.

Manager's fees and expenses

The Manager is entitled to be paid a fee by the Trustee for performing its duties under the Management Deed in respect of the Series (on terms agreed between the Manager and the Trustee).

Manager's voluntary retirement

The Manager may retire from the management of the Series upon giving the Trustee at least 90 days' notice of its intention to do so. The Manager's retirement takes effect when a successor manager is appointed for the Series.

Mandatory Retirement

The Manager must retire as manager of the Series if the Manager becomes Insolvent or is required by law to retire. The Manager's retirement takes effect when a successor manager is appointed for the Series.

Removal of the Manager

The Trustee may remove the Manager as manager of the Series Business of the Series by giving the Manager 90 days' notice if at the time it gives the notice:

(a) the Manager does not comply with an obligation under the Transaction Documents where such non-compliance has a Material Adverse Effect and is not remedied within 30 Business Days; and

(b) each Designated Rating Agency has been notified by the Manager of the proposed removal.

Appointment of successor manager

If the Manager retires or is removed as manager of the Series, the retiring Manager agrees to use its best endeavours to appoint a person to replace the Manager as manager as soon as possible. If a successor manager is not appointed within 90 days after notice of retirement or removal is given, the Trustee may appoint a successor manager for the Series. The appointment of a successor manager will only take effect once the successor manager has become bound by the Transaction Documents and each Designated Rating Agency has been notified of the proposed appointment of the successor manager.

7.8 The Servicer

Appointment of Servicer

The Servicer and the Trustee have entered into the Servicing Deed under which the Servicer agrees to service the Purchased Receivables in accordance with the requirements of that deed and the relevant Guidelines.

Duties of Servicer

The Servicing Deed requires the Servicer to (among other things):

(a) service the Series Assets of the Series in accordance with the Guidelines;

(b) collect all Collections in respect of the Series Assets of the Series;

(c) to remit such Collections into the Collection Account within the period of time specified in the Issue Supplement;

(d) to protect or enforce the terms of the Purchased Receivables;

(e) to make claims on behalf of the Trustee to the extent it is able to make a claim under any Mortgage Insurance Policy;

(f) prepare and give to the Manager performance statistics and reports in respect of the Series Assets; and

(g) comply with its obligations under the Transaction Documents of that Series.

Threshold Rate

The Manager shall on each Determination Date after the date on which the Basis Swap is terminated and is not replaced in accordance with the terms of the Transaction Documents:

(a) calculate the Threshold Rate on that day;

(b) notify the Trustee and the Servicer of that Threshold Rate; and

(c) direct the Servicer to set the weighted average (rounded up to 4 decimal places) of the variable interest rates payable under each applicable Purchased Receivable to at least equal to the Threshold Rate.

Guidelines

The Servicer and the Manager may amend the Guidelines from time to time. However, the Manager and the Servicer agree not to amend the Guidelines in a manner which would materially change the rights or obligations of the Trustee, without the prior approval of the Trustee or in a manner which would breach the National Credit Code (if applicable).

Delegation

The Servicer may employ agents and attorneys and may delegate in relation to some or all of its obligations in respect of the Series with notice to the Trustee and the Security Trustee of the delegation. The Servicer agrees to exercise reasonable care in selecting delegates and to supervise their actions. The Servicer is responsible for and remains liable for any loss arising due to any acts or omissions of any person appointed and for the payment of any fees of that person. The Servicer remains responsible for its obligations under the Transaction Documents notwithstanding any delegation by it.

Mandatory Retirement of the Servicer

The Servicer must retire as servicer of the Series if:

(a) required by law; or

(b) a Servicer Default in respect of that Series occurs (unless otherwise waived by the Trustee).

It is a "**Servicer Default**" if:

(i) the Servicer does not pay any amount payable by it in respect of the Series under any Transaction Document of the Series on time and in the manner required under the relevant Transaction Document unless, in the case of a failure to pay on time, the Servicer pays the amount within 10 Business Days of notice from either the Trustee or the Security Trustee, except where that amount is subject to a good faith dispute between the Servicer, the Trustee and the Manager;

(ii) the Servicer:

(A) does not comply with any other obligation relating to the Series under any Transaction Document of the Series and such non-compliance is likely to have a Material Adverse Effect in respect of the Series; and

(B) if the non-compliance can be remedied, does not remedy the non-compliance within 30 Business Days of the Servicer receiving a notice from the Trustee or the Security Trustee requiring its remedy (or such longer period as may be agreed between the Servicer and the Trustee);

(iii) the Servicer becomes Insolvent;

(iv) any representation or warranty made by the Servicer in connection with the Transaction Documents of the Series is incorrect or misleading when made and such failure is likely to have a Material Adverse Effect in respect of the Series, unless such failure is remedied to the satisfaction of the Trustee within 90 days of the Servicer receiving a notice from the Trustee requesting the Servicer to remedy the failure.

Voluntary Retirement of Servicer

The Servicer may retire as servicer of the Series by giving the Trustee at least 90 days' notice of its intention to do so (or such lesser time as the Servicer and the Trustee agree). The retirement or removal of the Servicer as servicer of a Series of a Trust will only take effect once a successor Servicer is appointed for the Series.

Trustee to act as Standby Servicer

If the Servicer retires as servicer of the Series, the Servicer agrees to use its best endeavours to ensure a successor servicer is appointed for the Series as soon as possible. If a successor servicer is not appointed within 90 days after notice of retirement is given the Trustee must (subject to agreeing a fee with the Manager) act as servicer of the Series and will be entitled to the same rights under the Transaction Documents of the Series that it would have had if it had been party to them as Servicer at the dates of those documents (including, without limitation, the right to any fees payable to the Servicer), until a successor servicer is appointed by the Trustee.

Servicer to provide full co-operation

If the Servicer retires as servicer in respect of the Series, it agrees to promptly deliver to the successor servicer all original documents in its possession relating to the Series and the Series Assets of the Series and any other documents and information in its possession relating to the Series and the Series Assets as are reasonably requested by the Trustee (where the Trustee is acting as Servicer) or the successor servicer.

Notification to Designated Rating Agency

The Manager agrees to notify each Designated Rating Agency if:

(a) the Servicer retires as servicer in respect of that Series; or

(b) it is proposed that a successor servicer be appointed.

Servicer's fees and expenses

The Servicer is entitled to be paid a fee by the Trustee for performing its duties under the Servicing Deed in respect of the Series (on terms agreed between the Trustee, the Manager and the Servicer). The Trustee agrees to pay or reimburse the Servicer for all reasonable costs incurred by the Servicer in connection with the enforcement and recovery of defaulted Series Assets, including costs relating to any court proceedings, arbitration or other dispute.

Indemnity

The Servicer indemnifies the Trustee from and against any loss arising from or incurred in connection with:

(a) a representation or warranty given by it under a Transaction Document being incorrect;

(b) a failure by the Servicer to perform any obligation under any Transaction Document to which it is a party in connection with the Series; and

(c) any Servicer Default in respect of the Series.

7.9 Security Trustee

Security Trust Deed

P.T. Limited is appointed as Security Trustee on the terms set out in the Security Trust Deed. The Security Trustee is a professional trustee company.

The Security Trust Deed contains customary provisions for a document of this type that regulate the performance by the Security Trustee of its duties and obligations and the protections afforded to the Security Trustee in doing so. In addition, it contains provisions which regulate the steps that are to be taken by the Security Trustee upon the occurrence of an Event of Default. In general, if an Event of Default occurs, the Security Trustee must notify the applicable Secured Creditors and convene a meeting of the Secured Creditors of the Series to obtain directions as to what actions the Security Trustee should take in respect of the Collateral. Any meeting of Secured Creditors will be held in accordance with the terms of the Security Trust Deed. Only the Voting Secured Creditors are entitled to vote at a meeting of Secured Creditors.

The Security Trustee will be under no obligation to act if it is not satisfied that it is adequately indemnified.

General Security Agreement

The Noteholders in respect of the Series have the benefit of a security interest over all the Series Assets of the Series under the General Security Agreement and the Security Trust Deed. The Security Trustee holds this security interest on behalf of the Secured Creditors (including the Noteholders) pursuant to the Security Trust Deed and may enforce the security interest upon the occurrence of an Event of Default.

Actions following Event of Default

If an Event of Default in respect of a Series is continuing, the Security Trustee must do any one or more of the following if it is instructed to do so by the Secured Creditors of the Series:

(a) declare at any time by notice to the Trustee that an amount equal to the Secured Money of that Series is either:

   (i) payable on demand; or

   (ii) immediately due for payment;

(b) take any action which it is permitted to take under the General Security Agreement.

If, in the opinion of the Security Trustee, the delay required to obtain instructions from the Secured Creditors of the Series would be materially prejudicial to the interests of those Secured Creditors, the Security Trustee may (but is not obliged to) do these things without instructions from them.

Call meeting on the occurrence of an Event of Default

If the Security Trustee becomes aware that an Event of Default in respect of a Series is continuing and the Security Trustee does not waive the Event of Default, the Security Trustee agrees to do the following as soon as possible and in any event within 5 Business Days of the Security Trustee becoming aware of the Event of Default:

(a) notify all Secured Creditors of that Series of:

   (i) the Event of Default;

(ii) any steps which the Security Trustee has taken, or proposes to take, under the Security Trust Deed; and

(iii) any steps which the Trustee or the Manager has notified the Security Trustee that it has taken, or proposes to take, to remedy the Event of Default; and

(b) call a meeting of the Secured Creditors of that Series. However, if the Security Trustee calls a meeting and before the meeting is held the Event of Default ceases to continue, the Security Trustee may cancel the meeting by giving notice to each person who was given notice of the meeting.

Security Trustee not liable for loss on Enforcement

Neither the Security Trustee (in its personal capacity only and not as trustee of the Security Trust) nor any of its directors, officers, employees, agents or attorneys will be taken to be fraudulent, negligent or in wilful default because:

(a) any person other than the Security Trustee does not comply with its obligations under the Transaction Documents;

(b) of the financial condition of any person other than the Security Trustee;

(c) any statement, representation or warranty of any person other then the Security Trustee in a Transaction Document is incorrect or misleading;

(d) of any omission from or statement or information contained in any information memorandum or any advertisement, circular or other document issued in connection with any Notes; or

(e) of the lack of effectiveness, genuineness, validity, enforceability, admissibility in evidence or sufficiency of the Transaction Documents (or any document signed or delivered in connection with the Transaction Documents);

(f) of acting, or not acting, in accordance with instructions of Secured Creditors; or

(g) of acting, or not acting, in good faith in reliance on:

(i) any communication or document that the Security Trustee believes to be genuine and correct and to have been signed or sent by the appropriate person; or

(ii) any opinion or advice of any professional advisers used by it in relation to any legal, accounting, taxation or other matters; or

(h) of any error in the Note Register; or

(i) of giving priority to a Secured Creditor or class of Secured Creditors in accordance with its duties to the Secured Creditors (see “Security Trustee’s Undertakings” above).

Meetings of Voting Secured Creditors

The Security Trust Deed contains provisions for convening meetings of the Secured Creditors to, among other things, enable the Secured Creditors to direct or consent to the Security Trustee taking or not taking certain actions under the Security Trust Deed; for example to enable the Secured Creditors, following the occurrence of an Event of Default, to direct the Security Trustee to declare the Notes immediately due and payable and/or to enforce the General Security Agreement.

For the purposes of the Series, the Voting Secured Creditors will be the only Secured Creditors entitled to:

(a) vote in respect of an Extraordinary Resolution or Circulating Resolution (excluding any Extraordinary Resolution or Circulating Resolution which is also a Special Quorum Resolution) or Ordinary Resolution of the Series;

(b) otherwise direct or give instructions or approvals to the Security Trustee in accordance with the Transaction Documents.

However, if a Transaction Document expressly provides for the passing of an Extraordinary Resolution, Ordinary Resolution or Circulating Resolution by a class of Secured Creditors only (but not all Secured Creditors), then the Secured Creditors of that class will be entitled to vote in respect of that Extraordinary Resolution, Ordinary Resolution or Circulating Resolution.

If at any time there is a conflict between a duty the Security Trustee owes to a Secured Creditor, or a class of Secured Creditor, of the Series and a duty the Security Trustee owes to another Secured Creditor, or class of Secured Creditor, of the Series, the Security Trustee must give priority to the duties owing to the Voting Secured Creditors.

Special Quorum Resolutions

Under the Security Trust Deed, certain matters require the passing of a Special Quorum Resolution of Secured Creditors. These include (but are not limited to):

(a) the exchange or substitution of any Notes for, or the conversion of those Notes into, other debt or equity securities or other obligations, other than an exchange, substitution or conversion which is expressly provided for in the Transaction Documents;

(b) a variation of the date on which any payment is due on any Notes, other than a variation which is expressly provided for in the Transaction Documents;

(c) a variation of the amount of any payment in respect of the Notes or a variation to the method of calculating such an amount, in each case, other than a variation which is expressly provided for in the Transaction Documents; and

(d) a variation of the due currency of any payment in respect of the Notes.

Protection of Security Trustee

Notwithstanding any other provision of the Security Trust Deed or any other Transaction Document relating to the Series, the Security Trustee will have no liability under or in connection with the Security Trust Deed, a Security Trust, or any other Transaction Document relating to the Series (whether to the Secured Creditors, the Trustee, the Manager or any other person in relation to the Series) other than to the extent to which the liability is able to be satisfied in accordance with the Security Trust Deed out of the Collateral in relation to the Series from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent that it is not satisfied because, under the Security Trust Deed or any other Transaction Document relating to the Series or by operation of law, there is a reduction in the extent of the Security Trustee's indemnification as a result of the Security Trustee's fraud, negligence or wilful default. Nothing in the Security Trust Deed or any similar provision in any other Transaction Document limits or adversely affects the powers of the Security Trustee, any Receiver or attorney in respect of the General Security Agreement or the Collateral in respect of the Series.

Collateral support

The proceeds of any collateral provided by under a Derivative Contract or under the Liquidity Facility Agreement will not be treated as Collateral available for distribution as described above. Any such collateral shall (subject to the operation of any netting provisions in the relevant Derivative Contract) be returned to the relevant Derivative Counterparty or the Liquidity Facility Provider (as applicable) except to the extent that the relevant Derivative

Counterparty or the Liquidity Facility Provider (as applicable) requires it to be applied to satisfy any obligation owed to the Trustee by the relevant Derivative Counterparty or the Liquidity Facility Provider (as applicable).

7.10 The Fixed Rate Swap and the Basis Swap

Overview of Basis Swap Provider and Fixed Rate Swap Provider

National Australia Bank Limited is the initial Basis Swap Provider and Fixed Rate Swap Provider.

Interest Rate mismatch between Purchased Receivables and Notes

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

(a) a variable rate; or

(b) a fixed rate, where the Obligor has elected this (with the approval of the Servicer).

This will result in an interest rate mismatch between:

(a) the floating Interest Rate payable on the Notes on the one hand; and

(b) the rate of interest earned on the Purchased Receivables on the other hand.

In order to minimise the mismatch, on the Closing Date, the Trustee and the Manager will enter into the Fixed Rate Swap with the Fixed Rate Swap Provider and the Basis Swap with the Basis Swap Provider.

The Fixed Rate Swap will apply in respect of any Purchased Receivable which charges a fixed rate of interest as at the Closing Date or which converts from a variable rate to a fixed rate after the Closing Date.

The Basis Swap will apply in respect of any Purchased Receivables which charge a variable rate of interest as at the Closing Date or which converts from a fixed rate to a variable rate of interest after the Closing Date. The Basis Swap and the Fixed Rate Swap will each be governed by a standard form ISDA Master Agreement, as amended by a supplementary schedule and confirmed by written confirmations in relation to each swap.

Fixed Rate Swap

The parties to the Fixed Rate Swap are the Fixed Rate Swap Provider, the Trustee and the Manager.

On each Payment Date the Trustee will pay to the Fixed Rate Swap Provider an amount calculated by reference to a fixed rate and a notional amount (referable to the Outstanding Principal Balance of the Purchased Receivables which are subject to a fixed rate of interest).

In return the Fixed Rate Swap Provider will pay to the Trustee on each Payment Date an amount calculated by reference to the Bank Bill Rate (plus a fixed margin) and a notional amount (referable to the Outstanding Principal Balance of the Purchased Receivables which are subject to a fixed rate of interest).

Basis Swap

The parties to the Basis Swap are the Basis Swap Provider, the Trustee and the Manager.

On each Payment Date the Trustee will pay to the Basis Swap Provider an amount calculated by reference to weighted average interest rate of the Purchased Receivables which are subject to a floating rate of interest and the Outstanding Principal Balance of such Purchased Receivables.

In return the Basis Swap Provider will pay to the Trustee on each Payment Date an amount calculated by reference to the Bank Bill Rate (plus a weighted margin spread) and the Outstanding Principal Balance of the Purchased Receivables which are subject to a floating rate of interest.

Early Termination

Each party to the Fixed Rate Swap or the Basis Swap may have the right to terminate the Fixed Rate Swap or the Basis Swap, respectively, in the following circumstances (among others):

(a) the other party fails to make a payment under the Fixed Rate Swap or the Basis Swap within 10 Business Days after notice of failure given to it;

(b) certain insolvency related events occur in relation to the other party;

(c) the other party merges with, or otherwise transfers all or substantially all of its assets to, another entity and the new entity does not assume all of that other party's obligations under the Fixed Rate Swap or the Basis Swap (as applicable);

(d) a force majeure event occurs; or

(e) due to a change in or a change in interpretation of law, it becomes illegal for the other party to make or receive payments, perform its obligations under any credit support document or comply with any other material provision of the Fixed Rate Swap or the Basis Swap (as applicable).

The Fixed Rate Swap Provider or the Basis Swap Provider will also have the right to terminate the Fixed Rate Swap or the Basis Swap if an Event of Default occurs under the Security Trust Deed and the Security Trustee has declared the Notes immediately due and payable.

The Trustee will also have the rights to terminate the Fixed Rate Swap if (among other things) the Fixed Rate Swap Provider fails to comply with or perform any agreement or its obligations referred to in paragraphs (a) to (d) (inclusive) under the heading “Downgrade” below within the timeframes specified in the Fixed Rate Swap.

Downgrade

If, as a result of the withdrawal or downgrade of the credit rating of the Fixed Rate Swap Provider by any Designated Rating Agency, the Fixed Rate Swap Provider does not have a short term credit rating or long term credit rating as designated in the Fixed Rate Swap, the Fixed Rate Swap Provider may be required to, at its cost, take certain action within certain timeframes specified in the Fixed Rate Swap.

This action may include in respect of the particular downgrade one or more of the following:

(a) lodging collateral as determined under the Fixed Rate Swap;

(b) entering into an agreement novating the Fixed Rate Swap to a replacement counterparty which holds the relevant ratings;

(c) procuring another person to unconditionally and irrevocably guarantee the obligations of the Fixed Rate Swap Provider under the Fixed Rate Swap; or

(d) entering into other arrangements as agreed with the relevant Designated Rating Agency or in respect of which the Manager issued a Rating Notification.

Additionally, in respect of the downgrade of the Fixed Rate Swap Provider below certain credit ratings, the Fixed Rate Swap Provider may be required to lodge collateral and to take one of the other courses of action described in paragraphs (b) to (d) (inclusive) above.

If the Fixed Rate Swap Provider lodges collateral with the Trustee, any interest or income on that cash collateral will be paid to Fixed Rate Swap Provider, provided that any such interest or income will only be payable to the extent that any payment will not reduce the balance of the collateral to less than the amount required to be maintained.

The Trustee may only dispose of any investment acquired with the collateral lodged in accordance with paragraph (a) above or make withdrawals of the collateral lodged in accordance with paragraph (a) above if directed to do so by the Manager for certain purposes prescribed in the Fixed Rate Swap.

The complete obligations of Fixed Rate Swap Provider following the downgrade of its credit rating are set out in the Fixed Rate Swap.

7.11 Liquidity Facility

General

The Liquidity Facility Provider grants to the Trustee a loan facility in Australian dollars in respect of the Series in an amount equal to the Liquidity Limit.

The Liquidity Facility is only available to be drawn to meet any Liquidity Shortfall in relation to the Series.

Liquidity Advances

If, on any Determination Date during the availability period of the Liquidity Facility, the Manager determines that there is a Liquidity Shortfall on that Determination Date, the Manager must direct the Trustee to request a drawing to be made under the Liquidity Facility on the Payment Date immediately following that Determination Date in accordance with the Liquidity Facility Agreement and equal to the lesser of:

(a) the Liquidity Shortfall on that Determination Date; and

(b) the Available Liquidity Amount on that Determination Date.

Interest

The Trustee agrees to pay to the Liquidity Facility Provider interest on the daily balance of each Liquidity Drawing from and including its drawdown date until the Liquidity Drawing is repaid in full. On each Payment Date, the Trustee will pay to the Liquidity Facility Provider accrued interest on each Liquidity Drawing.

Interest is to be calculated for each Liquidity Interest Period. Interest accrues from day to day and is to be calculated on actual days elapsed and a 365 day year. The rate of interest paid to the Liquidity Facility Provider in respect of a Liquidity Interest Period is the sum of the Bank Bill Rate on the first day of that Liquidity Interest Period (rounded to 4 decimal places) and a percentage per annum as agreed between the Liquidity Facility Provider and the Manager.

A “**Liquidity Interest Period**” in respect of a Liquidity Drawing commences on (and includes) its drawdown date of that Liquidity Drawing and ends on (but excludes) the next Payment Date. Each subsequent Liquidity Interest Period will commence on (and include) a Payment Date and end on (but exclude) the next Payment Date.

Downgrade of Liquidity Facility Provider

If the Liquidity Facility Provider ceases to have:

(a) in respect of Moody’s, a short term counterparty risk assessment of P-1(cr) or, if a short term counterparty risk assessment is not available for that financial institution, a short term credit rating equal to or higher than P-1; and

(b) in respect of Fitch, a short term rating equal to or higher than F1 or a long term rating of equal to or higher than A,

or such other ratings by a Designated Rating Agency as may be notified in writing by the Manager to the Trustee, provided that Rating Notification has been provided in respect of such other ratings, it must within 30 calendar days or such longer period as may be agreed by the Manager (provided that Rating Notification has been given in respect of that longer period):

(a) procure a replacement liquidity facility provider; or

(b) request the Manager to make a request for an advance of an amount equal to the Available Liquidity Amount (“**Collateral Advance**”); or

(c) take such other steps as the Manager may identify provided that a Rating Notification has been provided in respect of such steps.

If, after a Collateral Advance has been posted by the Liquidity Facility Provider, the Manager determines that a Liquidity Shortfall has occurred, the amount of such Liquidity Shortfall must be satisfied from the amount of that Collateral Advance deposited in the Liquidity Collateral Account. On the termination of the Liquidity Facility, or if the Liquidity Facility Provider obtains the ratings referred to above (or higher ratings than such ratings), the un-utilised portion of the Collateral Advance (together with all accrued, but unpaid, interest on that amount) must be repaid to the Liquidity Facility Provider.

On each Payment Date the Trustee, at the discretion of the Manager, will pay the Liquidity Facility Provider any interest that has been earned on the Liquidity Collateral Account or any other account held by the Trustee in respect of the Collateral Advance.

The Collateral Advance will not form part of the Series Assets of the Series, 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 Total Available Income (except to the extent applied as described in paragraph above) or Principal Collections for distribution on a Payment Date or be available to Secured Creditors upon enforcement of the General Security Agreement.

The “**Liquidity Collateral Account**” is a segregated account opened at the direction of the Manager in the name of the Trustee with an Eligible Bank to which the proceeds of any Collateral Advance are to be deposited.

Commitment Fee

The Trustee will pay to the Liquidity Facility Provider a commitment fee on the then Available Liquidity Limit.

The fee will be:

(a) calculated and accrue daily from the first day of the Availability Period on the basis of a 365 day year; and

(b) paid monthly in arrears on each Payment Date in accordance with the Issue Supplement.

The commitment fee payable under the Liquidity Facility Agreement may be varied from time to time by the Manager and the Liquidity Facility Provider (and notified to the Trustee) provided that a Rating Notification has been provided in respect of that variation.

Liquidity Event of Default

A "**Liquidity Event of Default**" occurs if:

(a) the Trustee fails to pay:

  (i) subject to paragraph (ii) below, any amount owing under the Liquidity Facility Agreement where funds are available for that purpose under the Issue Supplement; or

  (ii) any amount due in respect of interest,

  in the manner contemplated by the Liquidity Facility Agreement, in each case within 10 Business Days of the due date for payment of such amount;

(b) the Trustee alters or the Manager instructs it to alter the priority of payments in the Issue Supplement without the consent of the Liquidity Facility Provider or breaches any of its undertakings under the Transaction Documents which affect its ability to perform its obligations thereunder and that breach will materially and adversely affect the amount of any payment to be made to the Liquidity Facility Provider (other than any payment to the Liquidity Facility Provider under Part 6.11(v)(i)), or will materially and adversely affect the timing of such payment;

(c) an Event of Default occurs in respect of the Series and the Security Trustee (acting on the instructions of the Secured Creditors) appoints a Receiver to the Series Assets or is directed to sell or otherwise realise the Series Assets in accordance with the Security Trust Deed and the General Security Agreement; or

(d) the Trustee becomes Insolvent and the Trustee is not replaced in accordance with the Master Trust Deed within 60 days of it becoming Insolvent.

Termination and Extension of Liquidity Facility

The Liquidity Facility will terminate on the Liquidity Facility Termination Date.

On or before the Liquidity Facility Termination Date, the Trustee must repay:

(a) the Liquidity Principal Outstanding;

(b) interest accrued thereon; and

(c) all other money due but unpaid under the Liquidity Facility Agreement,

in each case to the extent that amounts are available for that purpose in accordance with the Security Trust Deed, the General Security Agreement and the Issue Supplement.

If all amounts due as described above are not paid or repaid in full on the Payment Date immediately following the Liquidity Facility Termination Date, the Trustee will repay so much of such amounts on succeeding Payment Dates as is available for that purpose in accordance with the Security Trust Deed, the General Security Agreement and the Issue Supplement until all such amounts are paid or repaid in full.

7.12 Mortgage Insurance

As described in Part 4, the Receivables were originated by NAB (either through its Proprietary Channel or its Third Party Channel).

Generally, Receivables with a Loan to Value Ratio of more than 80% are insured with a 100% primary Mortgage Insurance Policy. See Part 4 for a more detailed overview of the circumstances in which a Mortgage Insurance Policy is generally obtained in respect of a Receivable. In very limited circumstances where the Loan to Value Ratio is greater than 80%, NAB may not obtain a Mortgage Insurance Policy on a Receivable.

Each of the Mortgage Insurance Policies insures the Trustee against risk of default covering:

(a) the whole of the loan amount due under the Receivable;

(b) any reasonable expenses incurred in enforcing the Receivable and any Related Security; and

(c) any unpaid interest calculated at the interest rate applicable if interest is paid on the due date.

The Trustee is the insured party under each mortgage insurance policy in respect of each Receivable.

Receivables will be insured under Mortgage Insurance Policies that have been issued by one of the following insurers (each a "**Mortgage Insurer**"):

(a) Genworth Financial Mortgage Insurance Pty Limited; or

(b) QBE Lenders' Mortgage Insurance Limited ("**QBE**").

Mortgage Insurance Policies may not provide cover, or may provide a reduced amount of cover, for losses arising as a result of, among other things:

(a) the Receivable becoming invalid or unenforceable, or losing its priority;

(b) any guarantee or indemnity in relation to a Receivable becoming invalid or unenforceable;

(c) any material misstatement, omission or misrepresentation in connection with obtaining the policies; or

(d) any material breach of the terms and conditions of the policies.

The Servicer has undertaken, with respect to a Mortgage Insurance Policy, to:

(a) make claims on behalf of the Trustee to the extent it is able to make a claim under the Mortgage Insurance Policy;

(b) not do anything which could reasonably be expected to adversely affect or limit the rights of the Trustee under or in respect of the Mortgage Insurance Policy; and

(c) comply with all requirements and conditions of the Mortgage Insurance Policy.

8 Part 8 – General Information

8.1 Australian Taxation

*The following is a summary of the material Australian tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, the "**Tax Act**") and the Taxation Administration Act 1953 of Australia, at the date of this Information Memorandum, of payments of interest (as defined in the Tax Act) on Offered Notes to be issued by the Trustee under this Information Memorandum and certain other matters. The summary is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Offered Notes (including, without limitation, dealers in securities, custodians or other third parties who hold Offered Notes on behalf of other persons). In addition, unless expressly stated, the summary does not consider the Australian tax consequences for persons who hold interests in the Offered Notes through the Austraclear system or another clearing system.*

Noteholders should also be aware that particular terms of issue of any supplement to this Information Memorandum may affect the tax treatment of the Offered Notes. Information regarding taxes in respect of the Offered Notes may also be set out in that supplement.

This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular Noteholder. It is a general guide only and should be treated with appropriate caution. Prospective Noteholders should consult their professional advisers on the tax implications of an investment in the Offered Notes for their particular circumstances.

This Summary applies to Noteholders that are:

- *residents of Australia for tax purposes that do not hold their Offered Notes, and do not derive any payments under the Offered Notes, in carrying on a business at or through a permanent establishment outside of Australia, and non-residents of Australia for tax purposes that hold their Offered Notes, and derive all payments under the Offered Notes, in carrying on a business at or through a permanent establishment in Australia ("**Australian Holders**"); and*

- *non-residents of Australia for tax purposes that do not hold their Offered Notes, and do not derive any payments under the Offered Notes, in carrying on a business at or through a permanent establishment in Australia, and residents of Australia for tax purposes that hold their Offered Notes, and derive all payments under the Offered Notes, in carrying on a business at or through a permanent establishment outside of Australia ("**Non-Australian Holders**").*

Interest Withholding Tax

Generally, payments of interest under the Offered Notes made by the Trustee to Noteholder that is a Non-Australian Holder will be subject to Australian interest withholding tax ("**IWT**") at a rate of 10% unless an exemption applies.

Exemption under section 128F of the Australian Tax Act

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

(a) the Trustee is a company as defined in section 128F(9) (which includes certain companies acting as a trustee) and a resident of Australia when it issues those Offered Notes and when interest (as defined in section 128A(1AB) of the Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;

(b) those Offered Notes are debentures that are not equity interest, and are issued in a manner which satisfies the public offer test outlined in section 128F of the Tax Act.

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 Offered Notes for issue. In summary, the five methods are:

- offers to 10 or more unrelated financiers, securities dealers or entities that carry on the business of investing in securities;
- offers to 100 or more investors of a certain type;
- offers of listed Offered Notes;
- offers via publicly available information sources; and
- offers to a dealer, manager or underwriter who offers to sell those Offered Notes within 30 days by one of the preceding methods;

(c) the Trustee does not know, or have reasonable grounds to suspect, at the time of issue, that those Offered Notes or interests in those Offered Notes were being, or would later be, acquired, directly or indirectly, by an "associate" of the Trustee (as defined in section 128F(9) of the Tax Act), except as permitted by section 128F(5) of the Tax Act (see below); and

(d) 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 (as defined in section 128F(9) of the Tax Act), except as permitted by section 128F(6) of the Tax Act (see below).

Associates

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

- any entity that benefits, or is capable of benefiting, under the Trust ("**Beneficiary**"), either directly or through any interposed entities; and
- any entity that is an associate of a Beneficiary. If the Beneficiary is a company, an associate of that Beneficiary for these purposes includes:

  (i) a person or entity which holds more than 50% of the voting shares in, or otherwise controls, the Beneficiary;

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

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

  (iv) a person or entity which is an "associate" of another person or company which is an "associate" of the Beneficiary under (i) above.

However, the following are permitted associates for the purposes of the tests in section 128F(5) and 128F(6):

(A) Australian Holders; or

(B) Non-Australian Holders acting in the capacity of:

  (i) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Offered Notes or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme; or

(ii) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme.

Compliance with section 128F of the Australian Tax Act

Unless otherwise specified in any relevant Series Supplement (or another relevant supplement to this Information Memorandum), the Trustee intends to issue the Offered Notes in a manner which will satisfy the requirements of section 128F of the Tax Act.

Noteholders in Specified Countries

The Australian Government has signed new or amended double tax conventions ("**Specified Treaties**") with a number of countries (the "**Specified Countries**"). The Specified Treaties apply to interest derived by a resident of a Specified Country.

In broad terms, the Specified Treaties prevent IWT applying to interest derived by:

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

The Australian Federal Treasury currently maintains a listing of Australia's double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation which is available to the public at The Federal Treasury Department's website.

No payment of additional amounts

Despite the fact that the Offered Notes are intended to be issued in a manner which will satisfy the requirements of section 128F of the Tax Act, if the Trustee is at any time required by law to deduct or withhold an amount in respect of any IWT imposed or levied by the Commonwealth of Australia in respect of the Offered Notes, the Trustee is not obliged to pay any additional amounts to the Noteholders in respect of such deduction or withholding.

Goods and Services Tax

Neither the issue nor receipt of the Offered Notes will give rise to a liability for GST in Australia on the basis that the supply of Offered 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 Trust, nor the disposal of the Offered Notes, would give rise to any GST liability.

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

In relation to the acquisition of services by the Trust:

(a) In the ordinary course of business, the service provider would charge the Trust an additional amount on account of GST unless the agreed fee is already GST-inclusive (any supplies made by a member of the NAB GST group to the Trust would, generally speaking, not be subject to GST).

(b) Assuming that NAB GST Group exceeds the financial acquisitions threshold for the purposes of Division 189 of the GST Act, the representative member of the NAB GST Group would not be entitled to a full input tax credit from the ATO to the extent that the acquisition relates to:

(i) the Trust's input taxed supply of issuing Offered Notes (ie Offered Notes issued to (A) Australian residents or (B) to non-residents acting through a fixed place of business in Australia); and

(ii) the *acquisition* by the Trust of the Receivables.

In the case of acquisitions which relate to the making of supplies of the nature described above, the representative member of the NAB GST Group may still be entitled to a "reduced input tax credit" in relation to certain acquisitions prescribed in the GST regulations, but only where the Trust is the recipient of the taxable supply and the Trust either provides or is liable to provide the consideration for the taxable supply. The amount of the reduced input tax credit will generally be 75% of the GST payable by the service provider on the taxable supplies made to the Trust. However, where the acquisitions made by the Trust are for certain services and the Trust is a "recognised trust scheme", the reduced input tax credit available to the representative member of the NAB GST Group will be 55% of the GST payable by the service provider. As the Trust will be a member of the NAB GST Group with effect from the date that the Trust is established, the members of the NAB GST Group are to be treated under the GST Act as a single entity for the purposes of determining whether an acquisition is solely or partly for a creditable purpose and also the amount of input tax credits to which the representative member of the NAB GST Group is entitled. Since the members of the NAB GST Group are regarded as a single entity, that single entity would not be a "recognised trust scheme". As such, the representative member of the NAB GST Group should be entitled to reduced input tax credits of 75% (rather than 55%) of the GST payable by a relevant service provider on taxable supplies made to the Trust. The availability of reduced input tax credits will reduce the expenses of the Trust.

(c) To the extent that the Trust makes acquisitions that attract GST, and those services relate to the Trust's GST-free supply of the Offered Notes to non-residents, the representative member of the NAB GST Group will be entitled to full input tax credits.

(d) Where services are provided to the Trust by an entity comprising an associate of the Trust for income tax purposes, those services are provided for nil or less than market value consideration, and the Trust would not be entitled to a full input tax credit, the relevant GST (and any input tax credit) would be calculated by reference to the market value of those services (however this does not apply to services supplied by a member of the NAB GST Group to the Trust).

In the case of supplies acquired for the purposes of the Trust's business but which are not connected with Australia, these may attract a liability for Australian GST if they are supplies of a kind which would have been taxable if they were connected with Australia and if the Trust would not have been entitled to a full input tax credit. 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 representative member of the NAB GST Group.

Where services not connected with Australia and the supplies relate solely to the issue of Offered Notes by the Trust to Australian non-residents who subscribe for the Offered Notes through a fixed place of business outside Australia, the "reverse charge" rule should not apply to these offshore supplies. This is because the Trust would have been entitled to a full input tax credit for the acquisition of these supplies if the supplies had been connected with Australia.

Where GST is payable on a taxable supply made to the Trust but a full input tax credit is not available, this will mean that less money is available to pay interest on the Offered Notes or other liabilities of the Trust.

Other Tax Matters

Under Australian laws as presently in effect:

(a) *income tax – Non-Australian Holders that are non-residents of Australia for tax purposes* – assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Offered Notes, payments of principal and interest (as defined in section 128A(1AB) of the Tax Act) to a Non-Australian Holder that is a non-resident of Australia for tax purposes will not be subject to Australian income taxes; and

(b) *income tax – Australian Holders* – Australian Holders will be assessable for Australian tax purposes on income either received or accrued to them in respect of the Offered Notes. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular Note holder and the terms and conditions of the Offered Notes. Special rules apply to the taxation of Australian residents who hold the Offered Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located; and

(c) *gains on disposal of Offered Notes – Non-Australian Holders that are non-residents of Australia for tax purposes* – a Noteholder, who is Non-Australian Holder that is a non-resident of Australia for tax purposes will not be subject to Australian income tax on gains realised during that year on the sale of the Offered Notes, provided such gains do not have an Australian source. A gain arising on the sale of Offered Notes by a Non-Australian Holder that is a non-resident of Australia for tax purposes to another non-resident of Australia where the Offered Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia should not be regarded as having an Australian source; and

(d) *gains on disposal of Offered Notes – Australian Holders* – Australian Holders will be required to include any gain or loss on disposal of the Offered Notes in their taxable income; and

(e) *deemed interest* - there are specific rules that can apply to treat a portion of the purchase price of Offered Notes as interest for withholding tax purposes when certain Offered Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian Holder.

These rules do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Tax Act; and

(f) *death duties* - no Offered 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; and

(g) *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 Offered Notes; and

(h) *TFN/ABN withholding* - withholding tax is imposed (see below in relation to 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**"), (in certain circumstances) an Australian Business Number ("**ABN**") or provided proof of some other exception (as appropriate).

Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Offered Notes, then such withholding should not apply to payments to a Non-Australian Holder who is not a resident of Australia for tax purposes.

The rate of withholding tax is 47% for the 2017-2018 income year (and, if measures passed by the Australian House of Representatives on 25 October 2017 are enacted in their current form, will be increased to 47.5% following the 2018-19 income year);

(i) *supply withholding tax* - payments in respect of the Offered Notes can be made free and clear of any "supply withholding tax"; and

(j) *additional withholdings from certain payments to non-resident* - the Governor-General may make regulations requiring withholding from certain payments made to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current 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 promulgated prior to the date of this Information Memorandum are not relevant to any payments in respect of the Offered Notes. The possible application of any future regulations to the proceeds of any sale of the Offered Notes will need to be monitored; and

(k) *garnishee directions* – the Commissioner of Taxation may give a direction 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 intends to comply with that direction and make any deduction or withholding required by that direction.

Proposed reform of taxation of trusts

The former Australian Government proposed to amend the rules relating to the taxation of trusts in Division 6 of Part III of the Tax Act. No draft legislation has been released to date.

Australia has recently introduced a new regime for certain eligible managed investment trusts ("MITs"), with the changes applying from 1 July 2016. Under the new regime, a trustee of an attribution MIT ("AMIT") is potentially liable to tax on an AMIT shortfall (section 276-400). In addition, a trustee of a MIT can be liable for tax where the trust earns non-arm's length income (section 275-605). However, on the basis of the character of the unitholders of the Trust, it is not expected that the Trust would qualify as an AMIT.

8.2 Subscription and Sale

Subscription

Pursuant to the Dealer Agreement, each Dealer has agreed with the Trustee and the Manager the basis upon which it may from time to time agree to subscribe for or procure subscriptions for the Offered Notes.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Offered Notes has been lodged with ASIC. Each Dealer has represented and agreed that:

(a) has not made or invited, and will not make or invite, directly or indirectly, an offer of the Offered Notes (or an interest in them) for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive Preliminary Memorandum or any other offering material, advertisement or other document relating to any Offered Notes (or an interest in them) in Australia,

unless:

(c) 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 moneys 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 otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;

(d) the offer or invitation does not constitute an offer, to a "retail client" as defined for the purposes of section 761G of the Corporations Act;

(e) such action complies with applicable laws and directives in Australia (including, without limitation the financial services licensing requirements of the Corporations Act); and

(f) such action does not require any document to be lodged with ASIC.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), each Dealer has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of Offered Notes which are the subject of the offering contemplated by the Information Memorandum to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer nominated by the Trustee on the instructions of the Manager for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offered Notes shall require the Manager, the Trustee for any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Offered Notes which are the subject of the offering contemplated by this Information Memorandum in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"); 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 Offered Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Offered Notes.

Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Offered Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Offered Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

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

The United Kingdom

Each Dealer has represented, warranted and agreed that, in relation to the Offered Notes:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“FSMA”) received by it in connection with the issue or sale of any Offered Notes in circumstances in which section 21(1) of the FSMA does not apply to the Manager or the Trustee; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Offered Notes in, from or otherwise involving the United Kingdom.

The United States of America

Each Dealer has represented, warranted and agreed that:

(a) the Offered Notes have not been and will not be registered under the US 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 Offered 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;

(b) it has offered and sold the Offered Notes, and will offer and sell the Offered Notes:

(i) as part of their distribution at any time;

(ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, only in accordance with Rule 903 of Regulation S.

Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Offered Notes, it and they have complied and will comply with the offering restriction requirements of Regulation S;

(c) at or prior to confirmation of the sale of the Offered Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Offered Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Offered Notes covered hereby have not been registered under the US Securities Act 1933, as amended (the "**Securities Act**"), or with any securities regulation authority of any state or other jurisdiction of the United States of America and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act."

Terms used in paragraphs (a), (b) and (c) have the meanings given to them by Regulation S.

(d) it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Offered Notes in contravention of this paragraph and paragraphs (a), (b) and (c) above, except with its affiliates or with the prior written consent of the Trustee and the Manager; and

(e) with respect to Offered Notes issued in accordance with US Treas. Reg. § 1.163-5(c)(2)(i)(D) (or substantially identical successor provisions) ("**D Rules**"):

(i) except to the extent permitted the D Rules:

(A) it has not offered or sold, and until 40 days after the later of the commencement of the offering and the Closing Date (the "**restricted period**") will not offer or sell, the Offered Notes to a person who is within the United States or its possessions or to a United States person; and

(B) it has not delivered and will not deliver within the United States or its possessions definitive Offered Notes that are sold during the restricted period;

(ii) it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who directly engage in selling Offered Notes are aware that such Offered Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(iii) if it is a United States person, it is acquiring the Offered Notes for purposes of resale in connection with their original issue and if it retains Offered Notes for its own account, it will only do so in accordance with the requirements of US Treas. Reg. § 1.163-5(c)(2)(i)(D)(6); and

(iv) with respect to each affiliate that acquires from it Offered Notes in bearer form for the purpose of offering or selling such Offered Notes during the restricted period, such Dealer either:

(A) repeats and confirms the representations and agreements contained in sub-paragraphs (i), (ii) and (iii) above on behalf of such affiliate; or

(B) agrees that it will obtain from such affiliate for the Trustee's benefit the representations and agreements contained in sub-paragraphs (i), (ii) and (iii) above.

Terms used in this paragraph (e) have the meanings given to them by the US Internal Revenue Code and regulations thereunder, including the D Rules.

Hong Kong

Each Dealer has represented, warranted and agreed that:

(a) it has not offered or sold and will not 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 Offered Notes other than:

(i) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended ("**SFO**")and any rules made under the SFO ; or

(ii) in circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32 of the Laws of Hong Kong) as amended ("**CWMO**") or which do not constitute an offer to the public within the meaning of the CWMO; and

(b) unless permitted to do so under the laws of Hong Kong, it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue (in each case, whether in Hong Kong or elsewhere), any advertisement, invitation, offering material or document relating to the Offered 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 Offered 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.

Singapore

Each Dealer acknowledges that this Information Memorandum has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer represents and agrees that it will not offer, sell, deliver or transfer the Offered Notes nor make the Offered Notes the subject of an invitation for subscription or purchase, nor will this Information Memorandum or any relevant supplement, advertisement or other offering material in connection with the offer or sale, delivery or transfer, or an invitation for subscription or purchase, of the Offered Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor pursuant to section 274 of the Securities and Futures Act, Chapter 289 of Singapore as amended (the "**SFA**");

(b) to a relevant person pursuant to section 275(1) of the SFA, or any person pursuant to section 275(1A) of the SFA, and in accordance with the conditions specified in section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with, the conditions of, any other applicable provision of the SFA.

Where the Offered Notes are subscribed or purchased in reliance on an exemption under section 274 or 275 of the SFA, the Offered Notes will not be sold within the period of 6 months from the date of the initial acquisition of the Offered Notes, except to any of the following persons:

(d) an institutional investor (as defined in section 4A of the SFA);

(e) a relevant person (as defined in section 275(2) of the SFA); or

(f) any person pursuant to an offer referred to in section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where the Offered Notes are subscribed or purchased under section 275 of the SFA by a person who is:

(g) a corporation (which is not an accredited investor as defined in section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(h) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Offered Notes under section 275 of the SFA except:

(i) to an institutional investor (for corporations, under section 274 of the SFA) or to a relevant person, or any person defined in section 275(2) of the SFA and in accordance with the conditions, specified in section 275 of the SFA;

(ii) (in the case of a corporation) where the transfer arises from an offer referred to in section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in section 276(4)(i)(B) of the SFA;

(iii) where no consideration is given for the transfer;

(iv) where the transfer is by operation of law;

(v) as specified in section 276(7) of the SFA; or

(vi) as specified in regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Japan

The Offered Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) ("**Financial Instruments and Exchange Act**") and, accordingly, each Dealer has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Offered Notes in Japan or to, or for the account or benefit of, any Japanese Person, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any Japanese Person, except pursuant to an exemption from the registration requirements of and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

For the purposes of this paragraph, "**Japanese Person**" means any person resident in Japan or a juridical person having its main office in Japan as defined in Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended), including any corporation having its principal office in or other entity organised under the laws, regulations and ministerial guidelines of Japan. Any branch or office in Japan of a non-resident will be deemed to be a resident for the purpose whether such branch or office has the power to represent such non-resident.

Republic of China

Each Dealer has represented, warranted and agreed, that the Offered Notes are not being sold or offered and may not be sold or offered in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

New Zealand

On and from 1 December 2014, when both Part 3 and Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand (the "**FMCA**") came into force, no person may offer for sale or transfer or directly or indirectly offer for sale or transfer any Offered Notes in a manner that makes the Offered Notes the subject of a regulated offer for the purposes of the FMCA. In particular, the Offered Notes have and will only be offered or transferred either:

(a) to persons who are "wholesale investors" as that term is defined in clause 3(2)(a), (c) or (d) of Schedule 1 to the FMCA, being a person who is:

   (i) an "investment business";

   (ii) "large"; or

   (iii) a "government agency",

   in each case as defined in Schedule 1 to the FMCA; or

(b) in other circumstances where there is no contravention of the FMCA, provided that (without limiting paragraph (a) above) Offered Notes may not be offered or transferred to any "eligible investors" (as defined in the FMCA) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMCA.

Switzerland

Each Dealer has represented, warranted and agreed that:

(a) It will not publicly offer, sell or advertise the Offered Notes in or from Switzerland, as such term is defined or interpreted under the Swiss Code of Obligations ("**CO**"); and

(b) to the extent the Offered Notes qualify as structured products within the meaning of the Swiss Collective Investment Schemes Act (the "**CISA**"), it will not publicly offer, sell or advertise the Offered Notes in or from Switzerland, as such term is defined or interpreted under the CISA.

The Information Memorandum does not constitute a prospectus in the sense of article 652a or 1156 CO or a simplified prospectus In the sense of article 5 CISA, and neither the Information Memorandum nor any other document related to the Offered Notes may be publicly distributed or otherwise made publicly available in Switzerland. No Dealer has applied for a listing of the Offered Notes on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in the Information Memorandum does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange. The Offered Notes do not constitute participations in a collective investment scheme within the meaning of the CISA. Therefore, the Offered Notes are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"), and investors in the Offered Notes will not benefit from protection under the CISA or supervision by FINMA.

General

Each Dealer has:

(a) represented, warranted and agreed that:

(i) it has not and will not, and will not authorise any other person to, directly or indirectly, offer, sell, resell, re-offer or deliver Offered Notes or distribute the Information Memorandum or any circular, advertisement or other offering material in relation to the Offered Notes (or take any action, or omit to take any action, that could result in it directly or indirectly, offering, selling, reselling, reoffering, delivering or distributing as aforesaid) in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief after making due and proper enquiries, result in compliance with all applicable laws and regulations thereof, and all offers and sales of Offered Notes by it will be made on the same terms; and

(ii) the Dealer will not cause any advertisement of the Offered Notes to be published in any newspaper or periodical or posted in any public place and will not issue any circular relating to the Offered Notes (other than this Information Memorandum in accordance with the Dealer Agreement), except in any case in accordance with the terms of the Dealer Agreement and with the express written consent of the Manager; and

(b) acknowledged that:

(i) no action has been, or will be, taken by the Trustee or the Dealer to permit a public offering of the Offered Notes in any country or jurisdiction where action for that purpose would be required. Accordingly, the Offered Notes may not be offered or sold, directly or indirectly, and neither this Information Memorandum nor any circular, prospectus, form of application, advertisement or other material, may be distributed in or from or published in any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws or regulation; and

(ii) the Offered Notes are only to be sold in a manner that does not constitute an offer to the public for the purposes of the Prospectus Directive.

In these selling restrictions, "directive" includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply.

Variation

These selling restrictions may be changed by the Trustee and the Manager in consultation with the Dealer following a change in any law or directive or in its interpretation or administration by an authority or the introduction of a new law or directive.

9 Part 9 – Glossary

Glossary of Terms

A$ and Australian dollars	means the lawful currency of the Commonwealth of Australia.
Adverse Rating Effect	means, in respect of the Trust, the reduction, qualification or withdrawal of the rating (if any) given to the Notes issued in respect of the Trust by a Designated Rating Agency.
Affected Party	in respect of a Derivative Contract has the meaning given in that Derivative Contract.
Aggregate Invested Amount	means, on any day in respect of a Class of Notes, the aggregate of the Invested Amounts of all of the Notes of that Class on that day.
Aggregate Stated Amount	means, on any day in respect of a Class of Notes, the aggregate of the Stated Amounts of all of the Notes of that Class on that day.
All Risks Insurance Policies	means a fire and extraneous perils all risks (including storm, tempest, lightning, earthquake, riots, strikes and malicious damage, impact and aircraft) insurance policy in respect of the improvements on a Property.
Approved Mortgage Insurer	means: (a) Genworth Financial Mortgage Insurance Pty Limited (ABN 60 106 974 305); and (b) QBE Lenders' Mortgage Insurance Limited (ABN 70 000 511 071).
Arrears Ratio	means, on a Determination Date, the amount (expressed as a percentage) calculated as follows: $$A = \frac{B}{C}$$ where: A = the Arrears Ratio. B = the aggregate Outstanding Principal Balance of all Purchased Receivables in respect of which payments are 61 days or more in arrears (as calculated on the last day of the immediately preceding Collection Period). C = the aggregate Outstanding Principal Balance of all Purchased Receivables (as calculated on the last day of the immediately preceding Collection Period).
Austraclear	means the system operated by Austraclear Limited (ABN 94 002 060 773) for holding certain Australian dollar securities and the electronic recording and settling of transactions in those securities between members of that system in accordance with the Regulations and Operating Manual established by Austraclear Limited (as amended or replaced from time to time) to govern the use of that system and includes, as required, a reference to Austraclear Limited as operator of

that system.

Australian Tax Act means the Income Tax Assessment Act 1936 or the Income Tax Assessment Act 1997, as the case may be.

Authorised Investments with respect to the Series, means:

(a) Cash on hand or at an Eligible Bank; or

(b) deposits with, or certificates of deposit (whether negotiable, convertible or otherwise) of an Eligible Bank,

in each case which are denominated in Australian dollars, which mature or fall due for repayment at least one day before the next Payment Date and which do not constitute a securitisation exposure or a resecuritisation exposure (as defined in Prudential Standard APS 120 issued by the Australian Prudential Regulation Authority, including any amendment or replacement of that Prudential Standard).

Available Income has the meaning given to it in Part 6.5.

Available Liquidity Amount means, on any day, an amount equal to:

(a) the Liquidity Limit on that day; less

(b) the Liquidity Principal Outstanding on that day.

Average Arrears Ratio means, on any Determination Date, the amount (expressed as a percentage) calculated as follows:

$$A = \frac{B}{4}$$

where:

A = the Average Arrears Ratio.

B = the sum of the Arrears Ratio for that Determination Date and the Arrears Ratios for the 3 Determination Dates immediately preceding that Determination Date.

Bank Bill Rate means,

(a) for a Note for an Interest Period:

a. the average mid rate for Bills having a tenor of one month as displayed on “BBSW” page of the Bloomberg service on the first day of that Interest Period;

b. if for any reason Bank Bill Rate cannot be determined in accordance with paragraph (a), the rate calculated as the arithmetic mean of the rates quoted by five banks on application by the Calculation Agent. The quotations will be for rates which the banks quoted or would have quoted on the first day of that Interest Period for a Bill having a tenor of one month and of the type specified for the purpose of quoting on the “BBSW” page of the Bloomberg service; or

c. if a rate for that Interest Period cannot be determined in accordance with the procedures in paragraphs (a) or (b) for any reason, the rate specified in good faith by the Calculation Agent at or around that time on the first day of that Interest Period, having regard, to the extent possible, to comparable indices then available or to the rates otherwise bid and offered for Bills of that tenor at that time.

(b) in respect of a Liquidity Interest Period, on any date, the rate expressed as a percentage per annum designated "AVGMID" as displayed on the Bloomberg Monitor System at or around 10:15am Sydney time (or such other time as that rate is usually published), on that date for bank bills and certificates of deposit with a tenor of 1 month. If on that date the relevant rate is not published on the Bloomberg Monitor System in accordance with the foregoing, then the rate for that date will be determined by the Liquidity Facility Provider in good faith and in a commercially reasonable manner having regard to comparable indices then available. The rate calculated or determined in accordance with the foregoing procedures will be rounded (if necessary) upwards to 4 decimal places.

Basis Swap means each swap transaction entered into substantially on the terms of Annexure 2 to the Interest Rate Swap Agreement.

Basis Swap Provider means National Australia Bank Limited, or such other person who may be appointed the Basis Swap to act as the Basis Swap Provider.

Bill has the meaning it has in the Bills of Exchange Act 1909 (Cth) and a reference to the acceptance of a Bill is to be interpreted in accordance with that Act.

Binding Provision any provision of the Code of Banking Practice, any other binding code or arrangement and any laws applicable to banks or other lenders in the business of making loans (including retail home loans, personal loans. commercial loans and commercial property loans, as applicable) in force in Australia from time to time.

Business Day means a day on which banks are open for business in Melbourne and Sydney (not being a Saturday, Sunday or public holiday in that place).

Calculation Agent means the Manager.

Call Option means the Trustee's option to redeem Notes on each Call Option Date.

Call Option Date means the first Payment Date occurring after the last day of the Collection Period on which the aggregate of the Outstanding Principal Balance of all Purchased Receivables is less than 10% of the Outstanding Principal Balance of all Purchased Receivables as at the Closing Date, and each Payment Date thereafter.

Carryover Principal Charge-Off has the meaning given in Part 6.12.

Cashflow Allocation Methodology means the cashflow allocation methodology described in Part 6.

Class means a class of Notes.

Class A Notes means the Class A1-A Notes, Class A1-G Notes and Class A2 Notes (or any of them as the context requires).

Class A Noteholder	means a Class A1-A Noteholder, a Class A1-G Noteholder and a Class A2 Noteholder (or any of them as the context requires).
Class A Note Step-up Margin	means 0.25% per annum.
Class A1 Notes	means the Class A1-A Notes and Class A1-G Notes (or any of them as the context requires).
Class A1 Noteholder	means a Class A1-A Noteholder and a Class A1-G Noteholder (or any of them as the context requires).
Class A1-A Notes	means any Note designated as a “Class A1-A Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.
Class A1-A Noteholder	means a person who is from time to time entered in the note register as the holder of the Class A1-A Note.
Class A1-G Notes	means any Note designated as a “Class A1-G Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.
Class A1-G Noteholder	means each person who is from time to time entered in the note register as the holder of the Class A1-G Note.
Class A2 Notes	means any Note designated as a “Class A2 Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.
Class A2 Noteholder	means each person who is from time to time entered in the note register as the holder of the Class A2 Note.
Class B Note	means any Note designated as a “Class B Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.
Class B Noteholder	means each person who is from time to time entered in the note register as the holder of the Class B Note.
Class C Note	means any Note designated as a “Class C Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.
Class C Noteholder	means each person who is from time to time entered in the note register as the holder of the Class C Note.
Class D Note	means any Note designated as a “Class D Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.
Class D Noteholder	means each person who is from time to time entered in the note register as the holder of the Class D Note.
Class E Note	means any Note designated as a “Class E Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.
Class E Noteholder	means each person who is from time to time entered in the note register as the holder of the Class E Note.
Class F Note	means any Note designated as a “Class F Note” and which is issued in accordance with the Issue Supplement and the Note Deed Poll.

Class F Noteholder	means each person who is from time to time entered in the note register as the holder of the Class F Note.
Climate Bonds Standard	means the Climate Bonds Standard (Version 2.1) issued by the Climate Bonds Standard Board of the Climate Bonds Initiative.
Closing Date	means 15 February 2018 (or such other date determined by the Manager).
Code	means the United States of America Internal Revenue Code of 1986.
Collateral	means all the Series Assets of the Series which the Trustee acquires or to which the Trustee becomes entitled after the date of the General Security Agreement.
Collateral Advance	has the meaning given to it in Part 7.11.
Collections	has the meaning given to it in Part 6.1.
Collection Account	means the account opened with NAB in the name of the Trustee and designated by the Manager as the collection account for the Series.
Collection Period	means, in relation to a Payment Date, the period from (and including) the first day of the calendar month immediately preceding that Payment Date up to (and including) the last day of the calendar month immediately preceding that Payment Date, provided that the first Collection Period will commence on (and include) the Closing Date.
Collection Period Distributions	means payments made by the Trustee during a Collection Period in accordance with Part 6.1.
Consumer Credit Code	means, as applicable, the Consumer Credit Code set out in the Appendix to the Consumer Credit (Queensland) Act 1994 as in force or applied as a law of any jurisdiction of Australia or the provisions of the Consumer Credit Code set out in the Appendix to the Consumer Credit (Western Australia) Act 1996 or the provisions of the Consumer Credit Code set out in the Appendix to the Consumer Credit Code (Tasmania) Act 1996.
Control Event	means:

(a) in respect of any Collateral that is, or would have been, a Revolving Asset:

(i) the Trustee breaches, or attempts to breach its negative dealings undertakings in respect of the Collateral or takes any step which would result in it doing so;

(ii) a person takes a step (including signing a notice or direction) which may result in Taxes, or an amount owing to an authority, ranking ahead of the Security Interest;

(iii) distress is levied or a judgment, order or Encumbrance is enforced or a creditor takes any step to levy distress or enforce a judgment, order or Encumbrance, over the Collateral; or

(iv) the Security Trustee gives a notice to the Trustee that the Collateral is not a Revolving Asset (however the

Security Trustee may only give a notice if an Event of Default is continuing); or

(b) in respect of all Collateral that is or would have been a Revolving Asset:

(i) a voluntary administrator, liquidator or provisional liquidator is appointed in respect of the Trustee or the winding up of the Trustee begins;

(ii) a Controller is appointed to any of the Trustee's property; or

(iii) something having a substantially similar effect to paragraph (i) or (ii) happens under any law.

Corporations Act means the Corporations Act 2001 (Cth).

Credit Code has the meaning given to it in Part 2.

CRR means Regulation (EU) No 575/2013 of the European Parliament and Council (as implemented by the Member States of the European Economic Area).

Cut-Off Date means 7 February 2018.

Day Count Fraction means, for the purposes of the calculation of interest for any period, the actual number of days in the period divided by 365.

Dealer has the meaning given in Part 1.2.

Dealer Agreement means the document entitled "National RMBS Trust 2018-1 Dealer Agreement – Series 2018-1" between the Trustee, the Manager, the Lead Manager and the Dealer.

Defaulted Receivable means, at any time, a Receivable in respect of which the Obligor is at that time in default by failure to make a principal or interest payment 31 days or more following the date due for payment in accordance with the terms of the relevant Receivables Terms.

Defaulting Party in respect of a Derivative Contract has the meaning given in that Derivative Contract.

Derivative Contract means each Derivative Contract (as defined in the Security Trust Deed) in respect of the Series entered into by the Trustee (at the direction of the Manager) on terms in respect of which a Rating Notification has been given, and includes the Interest Rate Swap Agreement, the Fixed Rate Swap and the Basis Swap.

Derivative Counterparty means the counterparty to a Derivative Contract.

Designated Rating Agencies means each of Moody's and Fitch.

Determination Date means the day which is 5 Business Days prior to a Payment Date.

Eligibility Criteria has the meaning given to it in Part 1.7.

Eligible Bank means an authorised deposit-taking institution (as defined in the Banking Act 1959 (Cth)) with a short-term rating at least equivalent to the Required Credit Rating.

Encumbrance means any:

(a) security interest as defined in section 12(1) or section 12(2) of the PPSA and any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement; 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.

Enforcement Expenses means all expenses paid by or on behalf of the Servicer in connection with the enforcement of any Purchased Receivable or Related Security.

Extraordinary Expense means, in relation to a Collection Period, the aggregate of any out of pocket expenses properly and reasonably incurred by the Trustee in relation to the Trust in respect of that Collection Period which are not incurred in the ordinary course of business by the Trust in respect of the Series.

Extraordinary Expense Lender has the meaning set out in Part 6.9

Extraordinary Expense Loan has the meaning set out in Part 6.9.

Extraordinary Expense Draw has the meaning set out in Part 6.9.

Extraordinary Expense Reserve Account means an account established with an Eligible Bank in the name of the Trustee and designated by the Manager as the extraordinary expense reserve account for the Trust in respect of the Series.

Extraordinary Expense Reserve Required Amount means $150,000.

Event of Default means the occurrence of any of the following events in respect of the Series:

(a) the Trustee fails to pay or repay any amount due under:

(i) Class A1 Notes or the Redraw Notes (for such times as the Class A1 Notes or the Redraw Notes, as the case may be, are outstanding);

(ii) the Class A2 Notes (after all of the Class A1 Notes and the Redraw Notes have been repaid or redeemed in full);

(iii) the Class B Notes (after all of the Class A Notes and the Redraw Notes have been repaid or redeemed in full);

(iv) the Class C Notes (after all of the Class A Notes and the Redraw Notes, and the Class B Notes have been repaid or redeemed in full);

(v) the Class D Notes (after all of the Class A Notes and the Redraw Notes, the Class B Notes and the Class C Notes have been repaid or redeemed in full);

(vi) the Class E Notes (after all of the Class A Notes and the Redraw Notes, the Class B Notes, the Class C Notes and the Class D Notes have been repaid or redeemed in full); or

(vii) the Class F Notes (after all of the Class A Notes and the Redraw Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been repaid or redeemed in full),

within 10 Business Days of the due date for payment or repayment of such amount;

(b) the Trustee fails to perform or observe any other provision of a Transaction Document (other than the obligations referred to in this definition), where such failure will have a Material Adverse Payment Effect and the failure is not remedied within 30 days after written notice from the Security Trustee requiring the Trustee to rectify them;

(c) the Trustee becomes Insolvent and the Trustee is not replaced by the Manager in accordance with the Master Trust Deed within 60 days of it becoming Insolvent;

(d) the General Security Agreement is not, or ceases to be, valid and enforceable or any Encumbrance (other than a Permitted Encumbrance) is created or exists in respect of the Collateral for a period of more than 10 Business Days following the Trustee becoming aware of the creation or existence of such Encumbrance, where the creation or existence of such Encumbrance will have a Material Adverse Payment Effect; and

(e) all or any part of any Transaction Document becomes void, voidable or unenforceable where such event will have a Material Adverse Payment Effect.

Expenses of the Series means all costs, charges and expenses which are properly incurred by the Trustee in connection with the Series in accordance with the Transaction Documents and any other amounts for which the Trustee is entitled to be reimbursed or indemnified out of the Series Assets of the Series in accordance with the Transaction Documents (but excluding any amount of a type otherwise referred to in Part 6.4 and Part 6.11 (other than in paragraph (c)(viii)), and includes any costs, charges, expenses and other amounts to be paid or reimbursed by the Trustee to the Manager, the Trust Administrator and the Servicer in accordance with the Transaction Documents.

Extraordinary Resolution means:

(a) a resolution that is passed by 75% of votes cast by the Secured Creditors present and entitled to vote at a meeting or a written resolution of the Secured Creditors made in accordance with the Security Trust Deed; or

(b) a Circulating Resolution made in accordance with the meeting provisions contained in the Security Trust Deed.

FATCA means:

(a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;

(b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above, or

(c) any agreement under the implementation of paragraphs (a) or (b) above, with the United States of America Internal Revenue Service, the United States of America government or any governmental or taxation authority in any other jurisdiction.

Final Maturity Date means the Payment Date occurring in August 2049.

Finance Charge Collections has the meaning given to it in Part 6.5.

Fitch means Fitch Australia Pty Ltd

Fixed Rate Swap means:

(a) each swap transaction entered into substantially on the terms of Annexure 1 to the Interest Rate Swap Agreement; and

(b) any other Derivative Contract which is specified by the Manager to be a "Fixed Rate Swap" for the purposes of the Issue Supplement (provided that Rating Notification is provided in respect of that Derivative Contract.

Fixed Rate Swap Provider means National Australia Bank Limited, or such other person who may be appointed under the Fixed Rate Swap to act as the Fixed Rate Swap Provider.

Following Business Day Convention means, in respect of a date which does not fall on a Business Day, the following Business Day.

Further Advance means, in relation to a Purchased Receivable, any advance to the relevant Obligor after the settlement date of that Purchased Receivable which results in an increase in the scheduled balance of that Purchased Receivable.

General Insurance Policies means any insurance property in force in respect of a Property.

General Security Agreement	means the document entitled "National RMBS Trust - 2018-1 General Security Agreement - Series 2018-1" between the Trustee, the Security Trustee and the Manager
Governmental Agency	means any government, whether federal, state, territorial or local, and any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organ thereof, whether statutory or otherwise.
GST	has the meaning it has in the GST Act.
GST Act	means the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
GST Group	has the same meaning as is in the GST Act.
Guidelines	means the guidelines relating to the origination, servicing and collection procedures (including enforcement) as agreed by the Manager and the Servicer and provided to the Trustee (as such guidelines may be amended by the Manager and the Servicer from time to time.
Initial Invested Amount	means: (a) for each Note (other than a Redraw Note) the amount specified in Part 1.1; and (b) for each Redraw Note such amount as may be determined by the Manager.
Insolvent	a person is **Insolvent** if: (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to its property; or (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Security Trustee (or the Manager, in the case of the solvency of the Security Trustee)); or (d) an application or order has been made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the Security Trustee (or the Manager, in the case of the solvency of the Security Trustee) reasonably deduces it is so subject); or

(g) it is otherwise unable to pay its debts when they fall due; or

(h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

For the purposes of this definition and the related provisions of any relevant Transaction Document, any non-payment of debt by the Trustee as a result of the operation of the limitation of liability provisions of the Security Trust Deed will not result in the Trustee being Insolvent.

Insurance Policy means, in respect of a Receivable, any policy of insurance in force in respect of a Receivable or its Related Security, including:

(a) General Insurance Policies;

(b) Mortgage Insurance Policies; and

(c) All Risks Insurance Policy.

Interest Period means in respect of a Note:

(a) initially, the period from (and including) the Issue Date of that Note to (but excluding) the first Payment Date following that Issue Date; and

(b) thereafter, each period from (and including) each Payment Date to (but excluding) the next following Payment Date.

Interest Rate has the meaning given to it in Part 1.1.

Interest Rate Swap Agreement means the ISDA Master Agreement, and the schedule relating to it, between the Trustee and others.

Invested Amount means, in respect of a Note, at any time an amount equal to:

(a) the Initial Invested Amount of that Note; less

(b) the aggregate of all principal repayments made in respect of that Note prior to that time.

Issue Date in respect of a Note, means the date of issue of the Note.

Issue Supplement means the document entitled "National RMBS Trust 2018-1 Issue Supplement - Series 2018-1" between the Trustee, the Manager, the Servicer, the Trust Administrator and the Security Trustee.

Lead Manager means National Australia Bank Limited.

Liquidity Collateral Account means a segregated account opened at the direction of the Manager in the name of the Trustee with an Eligible Bank to which the proceeds of any Collateral Advance are to be deposited.

Liquidity Drawing has the meaning given to it in Part 6.8.

Liquidity Event of Default has the meaning given to it in Part 7.11.

Liquidity Facility means the facility provided under the Liquidity Facility Agreement.

Liquidity Facility Agreement	means the deed entitled "National RMBS Trust 2018-1 Liquidity Facility Agreement - Series 2018-1" between the Trustee and others.
Liquidity Facility Provider	has the meaning given in Part 1.2.
Liquidity Facility Termination Date	means the earliest of: (a) the date which is one month after the date upon which all Notes have been fully and finally redeemed in full in accordance with the Transaction Documents; (b) the date upon which the Liquidity Facility terminates under clause 12 ("Illegality") of the Liquidity Facility Agreement; (c) the date upon which the Liquidity Limit is cancelled or reduced to zero under clause 9 ("Cancellation or reduction of the Liquidity Facility") of the Liquidity Facility Agreement; (d) the date upon which the Liquidity Facility Provider terminates the Liquidity Facility under clause 16.2 ("Consequences") of the Liquidity Facility Agreement; (e) the date upon which the Liquidity Facility Provider terminates the Liquidity Facility under clause 24.2 ("Termination") of the Liquidity Facility Agreement; and (f) the Final Maturity Date.
Liquidity Interest Period	has the meaning given in Part 7.11.
Liquidity Limit	means, at any time, the greater of: (a) A$3,800,000; and (b) the lesser of: (i) 1.9% of the aggregate Outstanding Principal Balance of all Purchased Receivables in respect of which payments are not 91 days or more in arrears (calculated as of the last day of the immediately preceding Collection Period) (or such other percentage as the Manager and the Liquidity Facility Provider may agree provided that Rating Notification has been given in respect of that other percentage); and (ii) the amount (if any) to which the Liquidity Limit has been reduced at that time in accordance with clause 9 ("Reduction of Liquidity Limit") of the Liquidity Facility Agreement.
Liquidity Principal Outstanding	means, on any day, an amount equal to: (a) the aggregate of all Liquidity Drawings made on or before that day; less (b) any repayments or prepayments of all such Liquidity Drawings made by the Trustee on or before that day.

Liquidity Shortfall	means, on a Determination Date, the amount (if any) by which the Payment Shortfall on that Determination Date exceeds the Principal Draw in respect of that Determination Date.
Loan to Value Ratio	means for a Receivable, the ratio (expressed as a percentage) which the outstanding amount of the Receivable secured or to be secured by the related mortgage bears to the value of the related Property, such amount and such value both being determined at the time the Obligor entered into the relevant Receivables Terms.
Loss Allocation Reserve Account	means the account to be established and maintained by the Manager in accordance with Part 6.19.
Loss Allocation Reserve Account Balance	means, at any time, the balance of the Loss Allocation Reserve Account at that time.
Loss Allocation Reserve Draw	has the meaning set out in Part 6.6.
Loss Allocation Reserve Maximum Balance	means $500,000
Losses	means, in respect of a Collection Period, the aggregate principal losses (as determined by the Manager) for all Purchased Receivables which arise during that Collection Period after all enforcement action has been taken in respect of any Purchased Receivable and after taking into account: (a) all proceeds received as a consequence of enforcement under any Purchased Receivables (less the relevant Enforcement Expenses); (b) proceeds of any claims under a Mortgage Insurance Policy; and (c) any payments received from the Seller, the Servicer or any other person for a breach of its obligations under the Transaction Documents, and **Loss** has a corresponding meaning.
Low Doc Loan	means a Receivable in relation to which NAB has relied solely on a statement of income and expenditure from the Obligor in assessing the creditworthiness of the Obligor and has not taken any action to verify that statement.
Management Deed	means the document entitled “National RMBS Management Deed” dated 18 October 2010 between Perpetual Trustee Company Limited and others (as amended).
Manager	has the meaning give to it in Part 1.2.
Master Trust Deed	means the deed entitled “National RMBS Master Trust Deed” dated 18 October 2010 between Perpetual Trustee Company Limited, the Manager and others (as amended).
Material Adverse Effect	means any event which materially and adversely affects or is likely to affect the amount of any payment due to be made to any Secured Creditor or materially and adversely affects the timing of such a payment.

Material Adverse Payment Effect	means an event or circumstance which will, or is likely to have, a material and adverse effect on the amount of any payment to a Noteholder (other than a Class F Noteholder) or the timing of such payment but excluding any payment: (a) that ranks junior (in accordance with Part 6.11 ("("Income Distributions")) to interest on the Class A1 Notes and the Redraw Notes, for so long as the Invested Amount of the Class A1 Notes or the Redraw Notes is greater than zero; (b) that ranks junior (in accordance with Part 6.11 ("("Income Distributions")) to interest on the Class A2 Notes for so long as the Invested Amount of the Class A2 Notes is greater than zero; (c) that ranks junior (in accordance with Part 6.11 ("("Income Distributions")) to interest on the Class B Notes, for so long as the Invested Amount of the Class B Notes is greater than zero; (d) that ranks junior (in accordance with Part 6.11 ("("Income Distributions")) to interest on the Class C Notes, for so long as the Invested Amount of the Class C Notes is greater than zero; (e) that ranks junior (in accordance with Part 6.11 ("("Income Distributions")) to interest on the Class D Notes, for so long as the Invested Amount of the Class D Notes is greater than zero; and (f) that ranks junior (in accordance with Part 6.11 ("("Income Distributions")) to interest on the Class E Notes, for so long as the Invested Amount of the Class E Notes is greater than zero.
Moody's	means Moody's Investor Service Pty Limited.
Mortgage Insurance Interest Proceeds	means, in respect of a Purchased Receivable, the amount received by or on behalf of the Trustee under a Mortgage Insurance Policy and which is determined by the Manager not to be in the nature of principal.
Mortgage Insurance Policy	means any mortgage insurance policy covering a Receivable against losses in the nature of principal or interest, including, if applicable, timely payment cover.
Mortgage Insurer	has the meaning given to it in Part 5.5.
NAB GST Group	means the GST Group of which NAB is the representative member.
National Credit Code	means: (a) the NCCP; (b) the National Consumer Credit Protection (Fees) Act 2009 (Cwlth); (c) the National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 (Cwlth) ("**Transitional Act**"); (d) any regulations made under any of them; and (e) Division 2 of Part 2 of the Australian Securities and Investment Commission Act 2001 (Cwlth), so far as it relates to obligations

in respect of an Australian Credit Licence issued under the NCCP.

NCCP means the National Consumer Credit Protection Act 2009 (Cth), including the National Credit Code and the National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 (Cth) and the National Consumer Credit Protection Amendment Act 2010 (Cth).

Notes means each or all of:

(a) the Class A1-A Notes;

(b) the Class A1-G Notes;

(c) the Class A2 Notes;

(d) the Class B Notes;

(e) the Class C Notes;

(f) the Class D Notes;

(g) the Class E Notes;

(h) the Class F Notes; and

(d) Redraw Notes,

as the context requires.

Note Deed Poll means the deed entitled "National RMBS Trust 2018-1 Note Deed Poll - Series 2018-1" signed by the Trustee.

Note Interest Amount means, in respect of a Note, a Payment Date and the Interest Period ending on (but excluding) that Payment Date, the amount calculated in accordance with the Conditions for that Note and that Interest Period.

Note Margin has the meaning given to it in Part 1.1.

Note Register means in respect of the Notes the register maintained in respect of such Notes in accordance with the Note Deed Poll.

Noteholder means for a Note, each person whose name is entered in the Note Register as the holder of that Note.

Notice of Creation of Trust means the National RMBS Trust 2018-1 Notice of Creation of Trust signed by Perpetual Trustee Company Limited.

Notice of Creation of Security Trust means the National RMBS Trust 2018-1 Notice of Creation of Security Trust signed by P.T. Limited.

Notional Charge-Offs means, in respect of a Determination Date, the amount (if any) by which the Losses in respect of the immediately preceding Collection Period exceeds the amount available to be applied from Total Available Income on the immediately following Payment Date under Part 6.11(m).

Obligor means, in relation to a Purchased Receivable or Related Security, any person who is obliged to make payments either jointly or severally to the Trustee in connection with that Purchased Receivable or Related

Security.

Offer to Sell	means the Offer to Sell (as defined in Sale Deed) dated on or about the Closing Date from the Seller to the Manager and the Trustee.
Offer to Sell Back	has the meaning given to it in the Sale Deed.
Other Income	means, on a Determination Date (and without double counting any amounts included in Other Income on a preceding Determination Date) any miscellaneous income and other amounts (deemed by the Manager to be in the nature of income or interest) in respect of the Series Assets (including income earned on Authorised Investments) received by or on behalf of the Trustee during the immediately preceding Collection Period.
Outstanding Principal Balance	means, in relation to a Receivable, the outstanding principal balance including any interest or other charges which are unpaid and have been capitalised to the Obligor's account.
Participation Unit	any unit in the Trust which is designated as a "Participation Unit" in the Unit Register for the Trust.
Participation Unitholder	means the person registered as the holder of a Participation Unit.
Parties	means the Fixed Rate Swap Provider, the Basis Swap Provider, the Liquidity Facility Provider, the Dealer, the Arranger, the Lead Manager, the Manager, the Trust Administrator, the Servicer, the Trustee, the Seller and the Security Trustee.
Payment Date	means the 24th day of each calendar month or, if the 24th day is not a Business Day, then the next Business Day. The first Payment Date will be in March 2018.
Payment Shortfall	means, on a Determination Date, the amount by which the Available Income is insufficient to meet the Required Payments as calculated on that Determination Date.
Permitted Encumbrance	means: (a) the General Security Agreement; (b) the Trustee's lien; and (c) any Encumbrance arising under any other Transaction Document.
PPS Act	Personal Property Securities Act 2009 (Cth)
PPSA	means: (a) the PPS Act; (b) any regulations made at any time under the PPS Act; (c) any provision of the PPS Act or regulations referred to in paragraph (b); or (d) any amendment to any of the above, made at any time

Prepayment Costs	mean those amounts which are debited to an Obligor's account during a Collection Period in accordance with the relevant Receivable Terms as a result of the Obligor prepaying any principal amount in respect of a Purchased Receivable.
Prescribed Period	means the period of 120 days after the Closing Date.
Principal Charge-Offs	means, in respect of a Determination Date, the amount (if positive) equal to: A – B where: A is the Notional Charge-Off in respect of that Determination Date; and B is the Loss Allocation Reserve Draw in respect of that Determination Date.
Principal Collections	means, in respect of a Determination Date and the Collection Period immediately preceding that Determination Date, the amount calculated in accordance with Part 6.3.
Principal Draw	has the meaning given to it in Part 6.7.
Product Change	means a variation to a Purchased Receivable (including a change of product type or the inclusion of additional loan features) requested by the relevant Obligor.
Property	means the real property the subject of a Related Security.
Purchased Receivable	means a Receivable which is a Series Asset of the Series.
Purchaser	has the meaning set out in Part 7.2.
Qualifying Obligor	means an Obligor who, is not dead, bankrupt, insane or Insolvent and any other person which, notwithstanding this definition, the Manager approves and notifies in writing to the Trustee as being a "Qualifying Obligor".
Qualifying Receivable	has the meaning given to it in Part 1.7.
Rating Notification	means, in relation to an event or circumstance, that the Manager has confirmed in writing to the Trustee that it has notified each Designated Rating Agency of the event or a circumstance and that the Manager is satisfied that the event or circumstance is unlikely to result in an Adverse Rating Effect.
Receivable	means a housing loan.
Receivable Terms	mean, in respect of a Receivable or Related Security, any agreement or other document that evidences the Obligor's payment or repayment obligations or any other terms and conditions of that Receivable or Related Security.
Receiver	means a person or persons appointed under or by virtue of the Security Trust Deed and the General Security Agreement as receiver or receiver

and manager.

Recoveries means amounts received from or on behalf of Obligors or under any Related Security in respect of Purchased Receivables that were previously the subject of a Loss.

Redemption Amount means, on any day in respect of a Note an amount equal to the aggregate of the Invested Amount of that Note and all accrued and unpaid interest on that day.

Redraw means, a re-advance to an Obligor of repayments of principal made by that Obligor on its Purchased Receivable in accordance with the terms of the relevant Receivable Terms.

Redraw Interest means, in relation to a Payment Date, the interest due on that Payment Date to the Seller in accordance with Part 6.2(f)(iv).

Redraw Interest Rate means, in respect of an Interest Period and an un-reimbursed Redraw, the aggregate of:

(a) the Bank Bill Rate; and

(b) the Note Margin in respect of the Class A Notes.

Redraw Limit means, on any day, an amount equal to:

(a) 0.50% of the aggregate Invested Amount of all Notes on that day; or

(b) such other amount determined by the Manager (and notified to the Trustee), provided that a Rating Notification has been provided in respect of such other amount.

Redraw Note means any Note designated as a "Redraw Note" and which is issued in accordance with the Issue Supplement and the Note Deed Poll.

Redraw Noteholder means each person who is from time to time entered into the Note Register as the holder of a Redraw Note.

Related Entity has the meaning it has in the Corporations Act.

Related Security means, in respect of a Receivable, any Encumbrance which is then, or is then immediately to become, a Series Asset.

Relevant Parties each party to a Transaction Document other than the Trustee and the Security Trustee.

Repurchase Price means, in relation to a Purchased Receivable, the then fair market price of that Purchased Receivable as determined by the Manager.

Required Credit Rating means in respect of:

(a) Moody's:

(i) in respect of Authorised Investments, with a remaining term to maturity of less than or equal to 90 days, a short term rating of "P-1" or a long term rating of at least "A2";

(ii) in respect of Authorised Investments, with a remaining term to maturity of greater than 90 days but less than or equal to 180 days, a short term rating of at least “P-1” and a longer term rating of at least “Aa3”;

(iii) for the purposes of the definition of Eligible Bank, either

(A) a short term rating of at least “P-1” and a long term rating of at least “A2”; or

(B) a long term rating of at least “A1”; and

(iv) in respect of the Servicer, a short term rating of at least “P-1(cr)”;

(b) Fitch:

(i) in respect of Authorised Investments which have a term to maturity of less than or equal to 30 days, a long term credit rating of at least “A” by Fitch or a short term credit rating of at least “F1” by Fitch; and

(ii) in respect of Authorised Investments which have a term to maturity of greater than 30 days and less than 365 days, a long term credit rating of at least “AA-” by Fitch or a short term credit rating of “F1+” by Fitch; and

(iii) for the purpose of the definition of “Eligible Bank” or in respect of the Servicer, a long term credit rating of at least “A” by Fitch or a short term credit rating of at least “F1” by Fitch,

or, in each case, such other rating specified by a Designated Rating Agency and notified by the Manager to the Trustee.

Required Payments means, in respect of a Payment Date, the aggregate of the payments payable on that Payment Date in accordance with paragraphs (a) to (k) inclusive of Part 6.11, but excluding:

(a) any Note Interest Amount in respect of the Class B Notes under paragraph (g), if the aggregate Stated Amount of the Class B Notes is less than the aggregate Invested Amount of the Class B Notes on that Payment Date;

(b) any Note Interest Amount in respect of the Class C Notes under paragraph (h), if the aggregate Stated Amount of the Class C Notes is less than the aggregate Invested Amount of the Class C Notes on that Payment Date;

(c) any Note Interest Amount in respect of the Class D Notes under paragraph (i), if the aggregate Stated Amount of the Class D Notes is less than the aggregate Invested Amount of the Class D Notes on that Payment Date;

(d) any Note Interest Amount in respect of the Class E Notes under paragraph (j), if the aggregate Stated Amount of the Class E Notes is less than the aggregate Invested Amount of the Class E Notes on that Payment Date; and

(e) any Note Interest Amount in respect of the Class F Notes under paragraph (k), if the aggregate Stated Amount of the Class F

Notes is less than the aggregate Invested Amount of the Class F Notes on that Payment Date.

Residual Unitholder means the person registered as the holder of a Residual Unit.

Residual Unit means any unit in the Trust which is designated as a "Residual Unit" in the Unit Register for the Trust.

Revolving Asset means any Collateral which is a Purchased Receivable or a Related Security, inventory, a negotiable instrument and money (including money withdrawn or transferred to a third party from an account of the Trustee with a bank or other financial institution), in relation to which no Control Event has occurred.

Sale Deed means the document entitled "National RMBS Master Sale Deed - NAB" dated 26 September 2011 between Perpetual Trustee Company Limited, the Seller and others.

Secured Creditors means:

(a) the Security Trustee (for its own account);

(b) the Manager;

(c) the Trust Administrator;

(d) each Noteholder;

(e) each Derivative Counterparty;

(f) the Liquidity Facility Provider;

(g) the Dealer;

(h) the Lead Manager;

(i) the Seller;

(j) the Servicer; and

(k) the Extraordinary Expense Lender.

Secured Money means all amounts which at any time for any reason or circumstance in connection with any Transaction Document (including any transaction in connection with them) whether at law or otherwise (including liquidated or unliquidated damages for default or breach of any obligation) and whether or not of a type within the contemplation of the parties at the date of the General Security Agreement:

(a) the Trustee is or may become actually or contingently liable to pay to any Secured Creditor of the Series;

(b) any Secured Creditor of the Series has advanced or paid on the Trustee's behalf or at the Trustee's express or implied request;

(c) any Secured Creditor of the Series is liable to pay by reason of any act or omission on the Trustee's part, or that any Secured Creditor of the Series has paid or advanced in protecting or maintaining the Collateral or the Security Interest following an act or omission on the Trustee's part; or

(d) the Trustee would have been liable to pay by any Secured Creditor of the Series but the amount remains unpaid by reason of the Trustee being Insolvent.

This definition applies:

(i) irrespective of the capacity in which the Trustee, the Security Trustee or any Secured Creditor of the Series became entitled or is liable in respect of the amount concerned;

(ii) whether the Trustee, the Security Trustee or any Secured Creditor of the Series is liable as principal debtor or surety or otherwise;

(iii) whether the Trustee is liable alone or jointly, or jointly and severally with another person;

(iv) even if the Trustee owes an amount or obligation to the Secured Creditor because it was assigned to the Secured Creditor, whether or not:

(A) the assignment was before, at the same time as, or after the delivery of the General Security Agreement; or

(B) the Trustee consented to or was aware of the assignment or transfer; or

(C) the assigned obligation was secured before the assignment; or

(v) even if the General Security Agreement was assigned to the Secured Creditor, whether or not:

(A) the Trustee consented to or was aware of the assignment; or

(B) any of the Secured Money was previously unsecured; or

(vi) whether or not the Trustee has a right of indemnity from the Series Assets.

Security Interest means the security interest granted under the General Security Agreement.

Security Trust means the trust constituted by the Notice of Creation of Security Trust and the Security Trust Deed.

Security Trust Deed means the document entitled "National RMBS Master Security Trust Deed" dated 18 October 2010 between Perpetual Trustee Company Limited, P.T. Limited, the Manager and others (as amended).

Security Trustee has the meaning given to it in Part 1.2.

Series means the series relating to the Trust which is known as "Series 2018-

1".

Series Assets has the meaning given to it in Part 7.2.

Series Business means, in respect of the Series, the business of the Trustee in:

(a) acquiring Purchased Receivables;

(b) administering, collecting and otherwise dealing with Purchased Receivables;

(c) issuing Notes;

(d) entering into and exercising rights or complying with obligations under the Transaction Documents; and

(e) any other activities in connection with the Series.

Servicer has the meaning given to it in Part 1.2.

Servicer Default means each event as described in Part 7.8.

Servicing Deed means the document entitled "National RMBS Trust Master Servicing Deed" dated 18 October 2010 between Perpetual Trustee Company Limited and others (as amended).

Special Quorum Resolution means an Extraordinary Resolution passed at a meeting with the quorum prescribed in the Security Trust Deed as being required for a Special Quorum Resolution.

Stated Amount means, at any time in respect of a Note, an amount equal to:

(a) the Invested Amount of that Note at that time; less

(b) the amount of any Principal Charge-Offs in respect of that Note which have been allocated to that Note prior to that time which have not been reimbursed on or before that time.

Subordination Conditions has the meaning given to it in Part 1.3.

Tax means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the overall net income of the Security Trustee or any Secured Creditor.

Tax Account means an account with an Eligible Bank established and maintained in the name of the Trustee and in accordance with the terms of the Master Trust Deed, which is to be opened by the Trustee when directed to do so by the Manager in writing.

Tax Amount means, in respect of a Payment Date, the amount (if any) of Tax that the Manager reasonably determines will be payable in the future by the Trustee in respect of the Trust and which accrued during the immediately preceding Collection Period.

Tax Shortfall means, in respect of a Payment Date, the amount (if any) determined by the Manager to be the shortfall between the aggregate Tax Amounts determined by the Manager in respect of previous Payment Dates and the amounts set aside and retained in the Tax Account on previous Payment Dates.

Termination Date means the date determined under clause 2.3 of the Master Trust Deed as the termination date for the Trust.

Termination Event in respect of a Derivative Contract, has the meaning given to it in that Derivative Contract.

Threshold Rate means the aggregate of:

(a) the weighted average rate required to be set on the Purchased Receivables which will ensure that the Trustee has sufficient funds available to at least meet the Required Payments in full (assuming that all parties comply with their obligations under the Transaction Documents and such Purchased Receivables) and taking into account Purchased Receivables where the Trustee or the Servicer does not have the discretion under the Receivables Terms to vary the interest rate of that Purchased Receivable and moneys held in Authorised Investments where the yield is determined externally and not by the Servicer; and

(b) 0.25%.

Title Documents in respect of a Purchased Receivable, includes the original of:

(a) the certificate or other indicia of title (if any) in respect of the relevant Property;

(b) any valuation report obtained in connection with the Purchased Receivable;

(c) any deed of priority or similar document entered into in connection with the Purchased Receivable;

(d) the relevant Receivable Terms; and

(e) all other documents required to evidence the interest of the lender of record in the relevant Property.

Title Perfection Event means the Seller becomes Insolvent.

Total Available Income has the meaning given to it in Part 6.10.

Transaction Documents means each of the following to the extent they apply to the Series:

(a) the Security Trust Deed;

(b) the Master Trust Deed;

(c) the Sale Deed;

(d) the Servicing Deed;

(e) the Management Deed;

(f) the Trust Administration Deed;

(g) the Notice of Creation of Trust;

(h) the Notice of Creation of Security Trust;

(i) the General Security Agreement;

(j) the Note Deed Poll;

(k) the Dealer Agreement;

(l) the Conditions;

(m) the Issue Supplement;

(n) each Derivative Contract;

(o) the Liquidity Facility Agreement;

(p) each Offer to Sell; and

(q) such other documents, relating to the Series, as the Trustee and the Manager agree will be Transaction Documents and the Manager has provided a Rating Notification in respect of such document.

Trust means the National RMBS Trust 2018-1.

Trust Administration Deed means the document entitled "National RMBS Trust Administration Deed" dated 18 October 2010 between Perpetual Trustee Company Limited and others (as amended).

Trustee has the meaning given to it in Part 1.2.

Unit Register means the register of Unitholders in the Trust to be established and maintained in accordance with the Master Trust Deed.

Voting Secured Creditor means:

(a) for so long as any Class A1 Notes or Redraw Notes remain outstanding:

(i) the Class A1 Noteholders and the Redraw Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class A1 Noteholders and the Redraw Noteholders (as determined in accordance with the order of priority set out in Part 6.15);

(b) if paragraph (a) does not apply and for so long as any Class A2 Notes remain outstanding:

(i) the Class A2 Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class A2 Noteholders (as determined in accordance with the order of priority set out in Part 6.15);

(c) if none of paragraphs (a) and (b) apply and for so long as any

Class B Notes remain outstanding:

(i) the Class B Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class B Noteholders (as determined in accordance with the order of priority set out in Part 6.15);

(d) if none of paragraphs (a), (b) and (c) apply and for so long as any Class C Notes remain outstanding:

(i) the Class C Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class C Noteholders (as determined in accordance with the order of priority set out in Part 6.15);

(e) if none of paragraphs (a), (b), (c) and (d) apply and for so long as any Class D Notes remain outstanding:

(i) the Class D Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class D Noteholders (as determined in accordance with the order of priority set out in Part 6.15);

(f) if none of paragraphs (a), (b), (c), (d) and (e) apply and for so long as any Class E Notes remain outstanding:

(i) the Class E Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class E Noteholders (as determined in accordance with the order of priority set out in Part 6.15);

(g) if none of paragraphs (a), (b), (c), (d), (e) and (f) apply and for so long as any Class F Notes remain outstanding:

(i) the Class F Noteholders; and

(ii) any Secured Creditors ranking equally or senior to the Class F Noteholders (as determined in accordance with the order of priority set out in Part 6.15); and

(h) if none of paragraphs (a), (b), (c), (d), (e), (f) and (g) apply, the remaining Secured Creditors.

Waiver of Set Off in relation to a Purchased Receivable, means a provision by which the Obligor agrees to make all payments in respect of that Purchased Receivable without set-off or counterclaim unless prohibited by law.

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