



**FIRSTMAC MORTGAGE FUNDING TRUST
SERIES 1-2007**

**FIRSTMAC FIDUCIARY SERVICES PTY LIMITED
(ABN 60 105 052 515)**

\$781,000,000

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

**\$672,000,000
Class A Notes
Due February 2038**

Expected Rating
"AAA" by Standard & Poor's
"Aaa" by Moody's
"AAA" by Fitch Ratings

**\$82,000,000
Class AB Notes
Due February 2038**

Expected Rating
"AAA" by Standard & Poor's
"Aa1" by Moody's
"AAA" by Fitch Ratings

**\$27,000,000
Class B Notes
Due February 2038**

Expected Rating
"AA" by Standard & Poor's
"Aa2" by Moody's
"AA" by Fitch Ratings

Arranger, Joint Lead Manager and Dealer

ANZ Investment Bank
Australia and New Zealand Banking Group Limited
(ABN 11 005 357 522)

Joint Lead Manager and Dealer



Macquarie Bank Limited
(ABN 46 008 583 542)

Dealer



HSBC Bank plc
(ABN 98 067 329 015)

28 February 2007

NOTES NOT LIABILITIES OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, MACQUARIE BANK LIMITED OR HSBC BANK PLC

The debt instruments issued pursuant to this Information Memorandum (“**Notes**”) by FirstMac Fiduciary Services Pty Limited (ABN 60 105 052 515) in its capacity as trustee of the FirstMac Mortgage Funding Trust in respect of Series 1-2007 (“**FirstMac**” and “**Registrar**”) do not represent deposits or other liabilities of Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (“**ANZ**”, “**Arranger**”, “**Joint Lead Manager**” and “**Dealer**”) or Macquarie Bank Limited (ABN 46 008 583 542) (“**Macquarie Bank**”, “**Joint Lead Manager**” and “**Dealer**”) or HSBC Bank plc (ABN 98 067 329 015) (“**HSBC**” and “**Dealer**”), or any affiliate of ANZ, Macquarie Bank or HSBC, nor does ANZ, Macquarie Bank or HSBC or any affiliate of ANZ, Macquarie Bank or HSBC in any way stand behind the capital value and/or the performance of the Notes. The holding of Notes is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

None of FirstMac Limited (ABN 59 094 145 963) (“**Manager**”) and First Mortgage Company Pty Limited (ABN 37 099 125 318) (jointly and severally a “**Servicer**”), FirstMac, ANZ, the Arranger, Macquarie Bank, each Joint Lead Manager, HSBC, each Dealer, J.P. Morgan Trust Australia Limited (ABN 49 050 294 052) (“**Security Trustee**”), GT Australia Nominees Ltd (ABN 29 003 646 062) (“**Standby Trustee**”), Perpetual Trustee Company Limited (ABN 42 000 001 007) (in its capacity as the Custodian and Standby Servicer (“**Perpetual**”)), or any Counterparty, or any associate of any of them, in any way stands behind the capital value and/or performance of the Notes except, in the case only of FirstMac Limited, First Mortgage Company Pty Limited and FirstMac to the limited extent provided in the Transaction Documents.

None of ANZ, Macquarie Bank, FirstMac, the Servicer, the Manager, the Arranger, each Joint Lead Manager, HSBC, each Dealer, the Security Trustee, the Standby Trustee, Perpetual, the Counterparty nor any associate of any of them, guarantees the payment of interest or the repayment of principal due on the Notes or the obligations of FirstMac except, in the case only of FirstMac Limited, First Mortgage Company Pty Limited and FirstMac to the limited extent provided in the Transaction Documents.

None of the obligations of FirstMac are guaranteed in any way by ANZ or any associated of ANZ, Macquarie Bank or any associate of Macquarie Bank or HSBC or any associate of HSBC.

Capitalised terms not otherwise defined in this Information Memorandum where first used have the meaning given to them in section 1 (“*Important Notice*”), section 3 (“*Overview*”), section 13 (“*Transaction Documents*”) and section 15 (“*Glossary of Terms*”).

An application has been made to the Australian Securities Exchange (“**ASX**”) for the Class A Notes (as defined below) to be admitted to the official list as an ASX Debt Listing. No assurance can be made that the application will be granted. Prospective purchasers of the Class A Notes should consult with the Manager, to determine their status. The issuance and settlement of the Class A Notes on the Closing Date is not conditioned on the listing of the Class A Notes on the ASX.

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1 Important Notice

1.1 Purpose

This Information Memorandum (“**Information Memorandum**”) has been prepared solely in connection with the FirstMac Mortgage Funding Trust in respect of Series 1-2007 in respect of which FirstMac Fiduciary Services Pty Limited as trustee may issue Notes.

This Information Memorandum has been prepared for distribution only to persons whose ordinary business includes the buying and selling of securities (whether as principal or agent) and on the express understanding that the information it contains will be regarded and treated as strictly confidential. Its contents may not be reproduced or used in whole or in part for any purpose other than for assisting prospective investors to understand some of the features of the Notes. It is not intended for, and should not be distributed to, any other person without the express written permission of the Manager.

This Information Memorandum is not intended to provide the sole basis of any credit or other evaluation and it does not constitute a recommendation, offer or invitation to purchase any Notes by any person.

1.2 Responsibility for Information Contained in Information Memorandum

This Information Memorandum has been prepared by the Manager based on information provided by FirstMac and otherwise available to it and the facts and circumstances existing as at 28 February 2007 being the date of its preparation (“**Preparation Date**”). To the best of both FirstMac and the Manager’s information and knowledge, the contents of this Information Memorandum are correct as at the Preparation Date. None of FirstMac, the Manager or any other person has any obligation to the holders of Notes (“**Holders**”) to update this Information Memorandum after the Preparation Date having regard to information which becomes available, or facts and circumstances which come to exist, after the Preparation Date.

No representation or warranty, express or implied, as to the accuracy or completeness of, or any errors or omissions in, any information, statement, opinion or forecast contained in this Information Memorandum is made by any of FirstMac, the Arranger, each Joint Lead Manager, each Dealer, the Servicer, the Manager, the Security Trustee, the Standby Trustee, the Registrar, Perpetual or any other party named in this Information Memorandum.

Each of ANZ as the Arranger, a Joint Lead Manager and a Dealer, Macquarie Bank as a Joint Lead Manager and a Dealer and HSBC as a Dealer has confirmed the accuracy of their name and address in the Directory of this Information Memorandum, but ANZ, Macquarie Bank and HSBC have not authorised or caused the issue of any other part of this Information Memorandum, nor have they conducted any due diligence or otherwise independently verified any of the information contained in this Information Memorandum. Accordingly, ANZ, Macquarie Bank and HSBC do not make any representation, express or implied,

as to, or accept any responsibility for, the accuracy or completeness of the information contained in this Information Memorandum. None of ANZ, Macquarie Bank or HSBC makes any statement in this Information Memorandum and have not authorised or caused the issue of it.

The Security Trustee, the Standby Trustee and Perpetual have had no involvement in the preparation of any part of this Information Memorandum (other than the particular references to them in the Directory). The Security Trustee, Standby Trustee and Perpetual expressly disclaim and take no responsibility for any other part of this Information Memorandum. The Security Trustee, Standby Trustee and Perpetual make no statement in this Information Memorandum and have not authorised or caused the issue of it.

1.3 Reliance on Information Memorandum

Any institution contemplating the purchase of Notes should make, and will be taken to have made, its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of FirstMac. Neither the delivery of this Information Memorandum nor any purchase of Notes made hereunder will, under any circumstance, create any implication that there has been no change in the affairs of FirstMac or any other person referred to in this Information Memorandum since the Preparation Date.

Each potential purchaser should determine for itself whether to purchase or otherwise acquire any of the Notes described in this Information Memorandum, based on such documentation and information as it deems appropriate at the time.

1.4 Authorised Information or Material

No person has been authorised to give any information or to make any representation not contained in this Information Memorandum or any documents incorporated by reference in accordance with section 1.7 (*“Documents Incorporated by Reference”*). Accordingly, if any such information or representation is given or made to a potential purchaser of Notes, it must not be relied upon as having been authorised by or on behalf of FirstMac, the Arranger, each Joint Lead Manager, each Dealer, the Servicer, the Manager, the Security Trustee, the Standby Trustee, the Registrar or Perpetual.

1.5 Disclosure

The Arranger and each Joint Lead Manager disclose that they, their subsidiaries, directors and employees:

- (a) may have pecuniary or other interests in the Notes and they may also have interests pursuant to other arrangements; and
- (b) will receive fees, brokerage and commissions, and may act as principal in any dealing in the Notes.

1.6 Information Memorandum a Summary of Terms

This Information Memorandum contains only a summary of the terms and conditions of the Series and should not be relied upon by intending purchasers.

If there is any inconsistency between this Information Memorandum and the transaction documents set out in section 13 ("*Transaction Documents*"), the Transaction Documents should be regarded as containing the definitive information. With the approval of the Manager, a copy of the Transaction Documents may be inspected by prospective purchasers or Holders at the offices of the Manager on a confidential basis, by prior arrangement during normal business hours.

1.7 Documents Incorporated by Reference

The following documents are incorporated in, and deemed to form part of, this Information Memorandum:

- (a) all amendments and supplements to this Information Memorandum prepared by the Manager from time to time; and
- (b) all documents stated by the Manager to be incorporated in this Information Memorandum by reference, including without limitation any announcements by the Current Rating Agencies in respect of the Notes (including in relation to changes in the credit rating of the Notes).

To the extent that anything contained in a subsequent document which is or is deemed to be incorporated in this Information Memorandum by reference supersedes any earlier statement, that earlier statement will be deemed to be modified or superseded for the purposes of this Information Memorandum.

Copies of all documents incorporated by reference herein may be inspected, without charge, by appointment with the Manager at their offices during normal business hours.

1.8 No Disclosure under Corporations Act

Each offer to purchase or invitation to buy Notes will not require disclosure to investors under the Corporations Act 2001 (Cwlth) ("**Corporations Act**") as the amount payable by each person to whom an offer is made or to whom an invitation is issued will be at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act and does not constitute an offer or invitation to a "retail client" under Chapter 7 of the Corporations Act. Accordingly, this Information Memorandum is not required to be lodged with the Australian Securities and Investments Commission ("**ASIC**").

1.9 Offering restrictions

This Information Memorandum is available for distribution within the Commonwealth of Australia, and may not be distributed outside the Commonwealth of Australia, except in accordance with the Dealer Agreement.

No prospectus or other disclosure document in relation to the Notes has been lodged with ASIC. Each Dealer has agreed that it:

- (a) has not offered or invited applications, and will not offer or invite applications, for the issue or sale of Notes 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, this Information Memorandum or any other offering material or advertisement relating to the Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “retail client” under Chapter 7 of the Corporations Act; and
- (iii) such action complies with all applicable laws and regulations and does not require any documents to be lodged with ASIC.

The distribution of this Information Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. No representation is made that this document may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available under them, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the relevant parties which would permit a public offering of Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no 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 Notes come must inform themselves about, and observe, any such restrictions.

See section 12 (*Selling Restrictions*) for a more detailed description of the restrictions which may apply in certain jurisdictions.

1.10 Notes limited recourse instruments

The Notes issued by FirstMac are limited recourse instruments and are issued only in respect of the Series of the Trust. The rights of each holder of Notes to take action with respect to any amounts owing to it by FirstMac is limited to the Assets of the Series of the Trust in the manner prescribed by the Master Trust and Security Trust Deed and the Supplementary Terms Notice. This limitation will not apply to any obligation or liability of FirstMac to the extent that it is not satisfied because, under the Master Trust and Security Trust Deed or the Supplementary Terms Notice or by operation of law, there is a reduction in the extent of FirstMac's indemnification out of the Assets of the Series of the Trust as a result of FirstMac's fraud, gross negligence or wilful default. See section 9.10 ("*Limited Recourse and Limited Liability*") for further information on FirstMac's limited liability. In no case will the assets of another trust be available to meet amounts owing to the holder of a Note.

1.11 Series Segregation

Except to the extent expressly prescribed by the Transaction Documents in respect of the Series, the assets of the Series are not available in any circumstances to meet any obligations of FirstMac in respect of any Other Series and if, upon enforcement or realisation of the Deed of Charge for the Series, sufficient funds are not realised to discharge in full the obligations of FirstMac in respect of the Series, no further claims may be made against FirstMac in respect of such obligations and no claims may be made against any of its assets in respect of any Other Series. FirstMac is not permitted to commingle any Assets in respect of the Series with Assets in respect of any Other Series.

1.12 Rating Agencies

Any reference in this Information Memorandum to the credit ratings of various parties and the Notes is not a recommendation to buy, sell or hold Notes. The credit rating is subject to revision, suspension or withdrawal at any time by the relevant rating agency.

No rating agency has been involved in the preparation of this Information Memorandum.

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

This Information Memorandum is being distributed for information only. The information contained herein is not intended to constitute or contain an offer or invitation to sell or a solicitation to buy, and may not be used as, or in connection with, an offer or invitation to sell or a solicitation to buy, any of the Notes (as defined herein). This Information Memorandum is being issued

for the purpose of a selection marketing of the Notes and must not be circulated or delivered to any person other than the recipient.

2 Introduction

2.1 Trust

This Information Memorandum relates solely to Notes to be issued by FirstMac Fiduciary Services Pty Limited (ABN 60 105 052 515) in its capacity as trustee of the FirstMac Mortgage Funding Trust Series 1-2007 (the “**Trust**”). The initial issue of Notes will comprise three tranches as set out in section 2.3 (“*The Notes*”).

The proceeds from the issue of the Notes will be used to fund:

- (a) the acquisition of Eligible Receivables from any Relevant Trust or Relevant Series;
- (b) the acquisition of Liquid Authorised Investments; and
- (c) depositing funds into the Pre-funding Account.

FirstMac’s rights in respect of the above are collectively included in the “**Assets**” of the Series. The Assets will be charged to J.P. Morgan Trust Australia Limited (ABN 49 050 294 052) (“**Security Trustee**”) for the benefit of Holders as well as other Secured Creditors in accordance with the Master Trust and Security Trust Deed and the Deed of Charge.

2.2 The Assets of the Series

Eligible Receivables

The Housing Loans and the Related Securities have been originated by the Originators in the ordinary course of their mortgage lending businesses across a range of geographic regions and demographic sectors. The Housing Loans have been made to Australian resident and non-resident borrowers and are secured by first ranking mortgages over residential property located in a state or territory of Australia.

All of the Housing Loans will satisfy the Receivable Parameters on their date of acquisition by FirstMac in respect of the Series.

Additional Assets of the Series

Besides the Eligible Receivables, the other Assets of the Series are:

- (a) cash on hand or at a Bank representing cleared or immediately available funds;
- (b) Authorised Investments or any other investments;
- (c) amounts owing to FirstMac by Debtors;
- (d) any prepayment of expenditure;

- (e) any asset acquired for the Series by FirstMac in accordance with the Master Trust and Security Trust Deed and the Supplementary Terms Notice;
- (f) the Insurance Policies in connection with the Eligible Receivables (including rights to Timely Payment Cover);
- (g) the benefit of all representations, warranties, undertakings, covenants, indemnities and promises made by any party in favour of FirstMac under the Transaction Documents in respect of the Series;
- (h) other property as identified in writing by FirstMac; and
- (i) income, or amounts in the nature of income, accrued from investments or other assets referable to the Series of the Trust to the extent not included in the preceding paragraphs of this definition.

2.3 The Notes

The initial issue of Notes will comprise three tranches of secured, mortgage-backed, pass-through, floating rate securities. The senior Notes will comprise one tranche of Class A Notes (“**Class A Notes**”). The Class A Notes are expected, on issue, to be assigned a AAA rating by Standard & Poor’s (Australia) Pty Limited (“**Standard & Poor’s**”) and Fitch Australia Pty Limited (“**Fitch Ratings**”) and a Aaa rating by Moody’s Investor Services (“**Moody’s**”). The mezzanine Notes will comprise one tranche of Class AB Notes (“**Class AB Notes**”). The Class AB Notes are expected, on issue, to be assigned a AAA rating by Standard & Poor’s and Fitch Ratings and a Aa1 rating by Moody’s. The subordinated Notes will comprise one tranche of Class B Notes (“**Class B Notes**”). The Class B Notes are expected, on issue, to be assigned a AA rating by Standard & Poor’s and Fitch Ratings and a Aa2 rating by Moody’s.

The Manager may direct FirstMac from time to time to issue FastPay Notes. It is expected that FastPay Notes will have a rating assigned to them on their issue. It is a condition precedent to each issue of FastPay Notes that, upon issue, the rating of Class A Notes, Class AB Notes and Class B Notes will not be adversely affected.

The Notes are all pass through securities. The Holders will all have the benefit of the security under the Master Trust and Security Trust Deed and the Deed of Charge. Interest on all Notes is payable monthly in arrears except in respect of the first Payment Period which will commence on (and include) the Issue Date of that Note and end on (but exclude) the First Payment Date. Further, a number of structural features to protect Holders from credit losses have been incorporated into the structure as outlined in section 6 (“*Credit Support*”).

The Notes will be constituted by the Supplementary Terms Notice and take the form of entries on a register maintained by the Registrar. No certificate or other evidence of title will be issued.

2.4 Prefunding

(a) If the net proceeds of the issue of the Notes exceeds the aggregate of:

- (i) the amount payable by FirstMac on the Redesignation of the Housing Loans on the Closing Date; and
- (ii) the Required Authorised Investment Liquidity Amount of Liquid Authorised Investments on the Closing Date,

the excess amount will be the “Prefunded Amount” and will be deposited into an account with an Eligible Bank in the name of FirstMac (“**Pre-funding Account**”). The Manager has agreed to ensure that the Prefunded Amount does not exceed 10% of the aggregate Initial Invested Amount of the Notes. Withdrawals from the Pre-funding Account will be made with the consent of the Security Trustee at the written request of the Manager. The Security Trustee has agreed to consent to any such withdrawal provided that the Manager confirms to the Security Trustee that the conditions set out in paragraph (b) are satisfied. The Security Trustee is entitled to accept the authenticity of the Manager’s request and is not required independently to verify whether it has been properly given.

(b) FirstMac may only request that a withdrawal be made from the Pre-funding Account in the following circumstances during the Pre-funding Period:

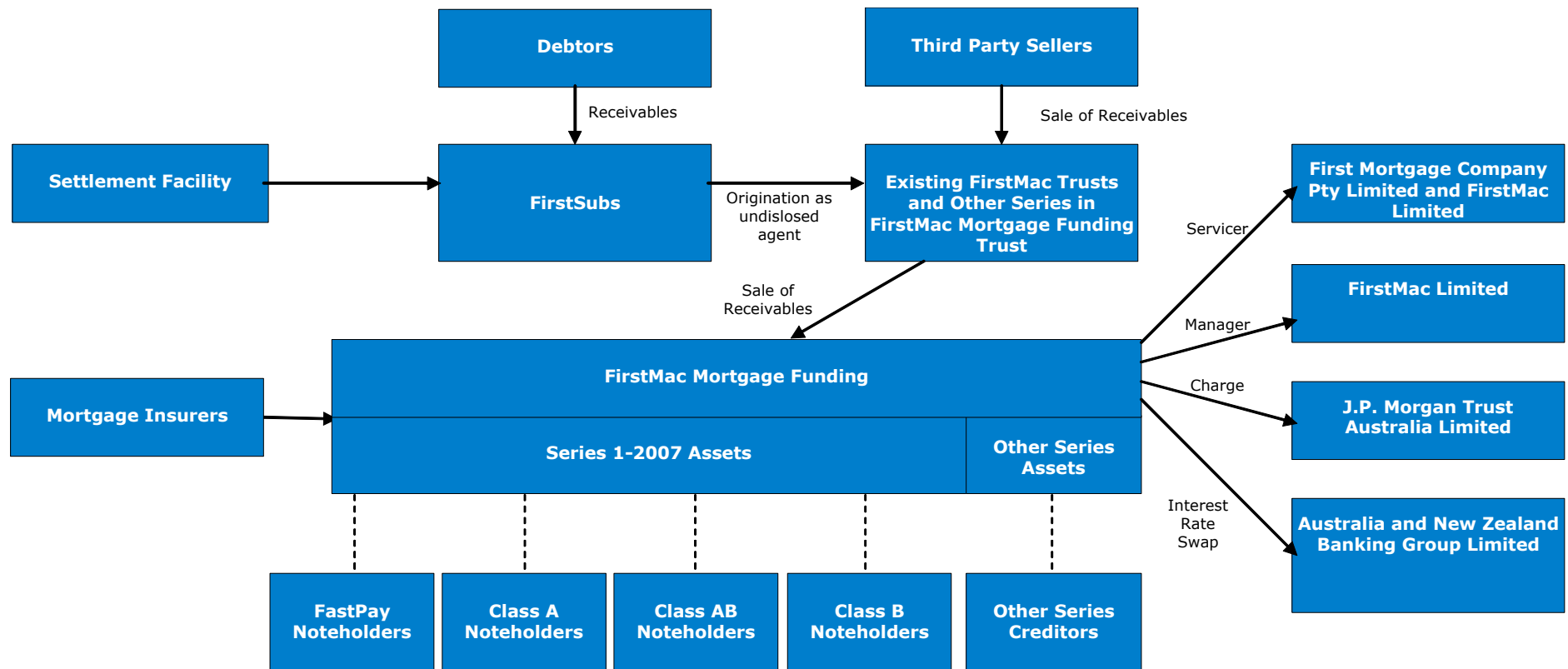
- (i) to fund Redraws and Further Advances which are permitted by the Transaction Documents;
- (ii) to invest in Authorised Investments provided that the proceeds of any such Authorised Investments must only be used in accordance with section 2.4 (“*Prefunded Amount*”); and
- (iii) to fund the acquisition or Redesignation of the Housing Loans and their Related Securities as Assets of the Series of the Trust provided that FirstMac has obtained the written confirmation from each Current Rating Agency that the proposed acquisition or Redesignation will not result in an Adverse Rating Effect.

(c) If any of the Prefunded Amount has not been so used during the Pre-funding Period, it will be included in the Principal Repayment Fund on the immediately following Payment Date and distributed in accordance with section 8.16 (“*Distribution of Principal Repayment Fund*”). The Security Trustee has consented to a withdrawal being made in order to comply with the provisions of this paragraph.

3 Overview

The following is only a brief summary of the terms and conditions of the Notes and the diagram included in this section is only for the purpose of assisting readers of this Information Memorandum in understanding the relationships between the various parties involved in the transaction and the Notes. Prospective investors should read the diagram and summary in conjunction with the whole of this Information Memorandum and the Transaction Documents.

3.1 Structure Diagram



3.2 The FirstMac Mortgage Funding Trust

The FirstMac Mortgage Funding Trust (“**Trust**”) is a special purpose trust established for the purpose of enabling FirstMac, as trustee of the Trust, to issue Notes and to apply the proceeds of those Notes to invest in Assets (which includes Housing Loans). The Trust is a single trust and no series constitutes a separate trust.

FirstMac Limited established the “FirstMac Mortgage Funding Trust” in December 2006 for the purpose of enabling FirstMac, as trustee of Trust in respect of various series, to issue debt instruments and to apply the proceeds of those debt instruments to invest in assets originated from time to time by FirstMac Limited in the name of various “FirstSubs” or to acquire assets from third party originators.

The Master Trust and Security Trust Deed and the Notice of Creation of Trust established the FirstMac Mortgage Funding Trust and establishes the general framework under which series of the FirstMac Mortgage Funding Trust may be established from time to time. Further trusts may be established under the Master Trust and Security Trust Deed and an unlimited number of series in respect of any trust may be established under the Master Trust and Security Trust Deed. Each series is not a separate and distinct trust fund but rather a separate security structure enabling different debt instruments to be issued having recourse to specific pools of assets. The supplementary terms notice for a series sets out the specific provisions of the relevant series and the debt instruments to be issued in respect of that series. Multiple classes of debt instruments may be issued by FirstMac in relation to each series that differ amongst themselves as to, among other things, currency of denomination and payment and priority of repayment.

Series 1-2007

Series 1-2007 is the second series established in respect of the FirstMac Mortgage Funding Trust.

The Series will be established under the Notice of Creation of Security Trust and the Deed of Charge.

The specific terms of the Series are set out in the Supplementary Terms Notice. The Supplementary Terms Notice sets out (among other things) various representations and undertakings of the parties which relate to the Housing Loans and Related Securities (in addition to those contained in the Master Trust and Security Trust Deed) and amends the Master Trust and Security Trust Deed to the extent necessary to give effect to the specific aspects of the Series and the issue of the Notes. The Supplementary Terms Notice also sets out the cashflow allocation methodology for the Series.

The Master Trust and Security Trust Deed and the Supplementary Terms Notice should therefore be read together when determining the rights, powers and obligations of FirstMac and the Manager in relation to the Series.

For a more detailed explanation of the transaction, see Section 9 (“*Transaction Structure*”).

3.3 General information

<i>FirstMac and Registrar</i>	FirstMac Fiduciary Services Pty Limited (ABN 60 105 052 515) as trustee of the Trust in respect of Series 1-2007.
<i>Trust</i>	FirstMac Mortgage Funding Trust.
<i>Series</i>	Series 1-2007.
<i>Manager</i>	FirstMac Limited (ABN 59 094 145 963).
<i>Servicer and Originators</i>	FirstMac Limited (ABN 59 094 145 963) and First Mortgage Company Pty Limited (ABN 37 099 125 318).
<i>Security Trustee</i>	J.P. Morgan Trust Australia Limited (ABN 49 050 294 052).
<i>Standby Trustee</i>	GT Australia Nominees Ltd (ABN 29 003 646 062).
<i>Custodian and Standby Servicer</i>	Perpetual Trustee Company Limited (ABN 42 000 001 007).
<i>Counterparty</i>	Each financial institution acceptable to each Current Rating Agency.
<i>Joint Lead Manager/ Arranger/Dealer</i>	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).
<i>Joint Lead Manager/Dealer</i>	Macquarie Bank Limited (ABN 46 008 583 542).
<i>Dealer</i>	HSBC Bank plc (ABN 98 067 329 015).
<i>Residual Income Unitholder</i>	First Mortgage Company Pty Limited (ABN 37 099 125 318).
<i>Residual Capital Unitholder</i>	Each of: <ul style="list-style-type: none">(a) Firstmac Assets Pty Limited (ABN 96 104 268 224) as to one Residual Capital Unit; and(b) First Mortgage Company Pty Limited (ABN 37 099 125 318) as to nine Residual Capital Units.
<i>Current Rating</i>	Standard & Poor’s (Australia) Pty Ltd, Moody’s Investor

Agencies Services, Inc. and Fitch Australia Pty Limited.

Issue Size A\$781,000,000

3.4 Principal Characteristics of the Notes

Classes of Notes The initial issue of Notes by FirstMac will comprise three tranches of Notes which are secured mortgage-backed floating rate pass-through securities:

- Class A Notes;
- Class AB Notes; and
- Class B Notes.

In certain limited circumstances, the Manager may also direct FirstMac to issue FastPay Notes from time to time. FirstMac must issue FastPay Notes on a Payment Date, with an aggregate Initial Invested Amount and at the Relevant Margin specified in the Manager's notice to FirstMac on or before that Payment Date.

If the Class A Notes are not redeemed on the first Call Date, then with effect from that Call Date, the Relevant Margin in respect of the Class A Notes will double.

The Class A Notes will rank equally without any preference or priority among themselves in relation to the payment of interest and the repayment of principal both prior to and following the occurrence of an Event of Default and enforcement of the Deed of Charge.

The Class AB Notes will rank behind the Class A Notes in relation to the payment of interest and pari passu in relation to the repayment of principal prior to the occurrence of an Event of Default and enforcement of the Deed of Charge. The Class AB Notes will rank behind the Class A Notes in relation to the payment of interest and repayment of principal following the occurrence of an Event of Default and enforcement of the Deed of Charge.

The Class B Notes will rank behind the Class A Notes and Class AB Notes in relation to the payment of interest and the repayment of principal both prior to and following the occurrence of an Event of Default and enforcement of the Deed of Charge.

If any FastPay Notes are issued, they will rank pari passu with the Class A Notes in relation to the payment of

interest and in priority to the Class A Notes for the repayment of principal prior to the occurrence of an Event of Default and enforcement of the Deed of Charge. If the Invested Amount of any FastPay Note has not been reduced to zero by the FastPay Stepup Date, then that FastPay Note will at that time be treated in all respects as a Class A Note with effect from the Payment Date immediately following the FastPay Stepup Date (except for the Relevant Margin which will be the FastPay Margin plus the relevant Stepup Margin) and will cease to constitute a FastPay Note. The FastPay Notes will rank equally with the Class A Notes for the payment of principal and interest after the occurrence of an Event of Default and enforcement of the Deed of Charge.

The Notes will be issued in registered form. Entry of the name of the purchaser or transferee in the register of Notes holders ("**Register**") will constitute the obtaining or passing of title and will be conclusive evidence of entitlement to receive amounts payable under Notes.

<i>Currency</i>	Australian Dollars or "A\$".
<i>Denomination</i>	Notes will be issued in minimum denominations of A\$10,000, subject to a minimum purchase consideration of A\$500,000 (or such other consideration agreed between the Manager and the Dealers provided that the relevant offer of Notes does not require disclosure to investors under Part 6D.2 or Part 7 of the Corporations Act.
<i>Initial Invested Amount</i>	<p>The initial Invested Amount in respect of each Class of Notes is as follows:</p> <ul style="list-style-type: none">• Class A Notes: A\$672,000,000;• Class AB Notes: A\$82,000,000; and• Class B Notes: A\$27,000,000.
<i>Principal repayments</i>	<p>Subject to there being sufficient funds for this purpose, repayments of principal will be made on each Payment Date to each Holder then entitled to receive such payments.</p> <p>A detailed explanation of the principal repayment methodology is provided in section 8.16 ("<i>Distribution of Principal Repayment Fund</i>").</p>

Interest

Subject to there being sufficient funds for this purpose, interest due on the Class A Notes and FastPay Notes for each Payment Period will be payable on the Payment Date occurring at the end of that Payment Period.

To the extent that funds are available after the payment of interest due on the Class A Notes and FastPay Notes for each Payment Period, interest due on the Class AB Notes will be payable on the Payment Date occurring at the end of that Payment Period.

To the extent that funds are available after the payment of interest due on the Class A Notes, FastPay Notes and Class AB Notes for each Payment Period, interest due on the Class B Notes will be payable on the Payment Date occurring at the end of that Payment Period.

The first interest payment for the Notes will be made on 21 March 2007 in respect of the first Payment Period.

Interest will be calculated on the Invested Amount of the Class A Notes, the Class AB Notes, the Class B Notes and the FastPay Notes on the first day of the relevant Payment Period, and will be calculated on the basis of the actual number of days in that Payment Period and a year of 365 days. Interest in respect of the first Payment Period will commence from (and include) the Issue Date of that Note and end on (but exclude) the First Payment Date.

The interest on each Note will be calculated with reference to the Rate of Interest for that Note for that Payment Period.

Rate of Interest

The Rate of Interest on each Note for a Payment Period will be the aggregate of the Bank Bill Rate on the first day of that Payment Period plus the Relevant Margin for that Note.

Relevant Margin

The Relevant Margin for each Class of Notes will be the rate percentage per annum determined on the Pricing Date and notified to Holders of the relevant Class of Notes and inscribed in the Register as the margin applicable to that Class of Notes. If the Class A Notes are not redeemed on the first Call Date, then with effect from that Call Date, the Relevant Margin in respect of the Class A Notes will double.

If any FastPay Notes are not redeemed on or before the FastPay Stepup Date, then with effect from the FastPay

	Stepup Date, the Relevant Margin for the FastPay Notes will increase by the relevant Stepup Margin.
<i>FastPay Note Stepup Margin</i>	The Stepup Margin will be 0.25% with respect to FastPay Notes that are not redeemed on or prior to the FastPay Stepup Date for those FastPay Notes.
<i>Cut-Off Date</i>	31 January 2007.
<i>Closing Date</i>	28 February 2007.
<i>Pricing Date</i>	The date agreed between each Joint Lead Manager and the Manager and such other date as may be determined by the Manager in respect of the issue of FastPay Notes.
<i>Issue Date</i>	28 February 2007 and such other date as may be determined by the Manager in respect of the issue of FastPay Notes.
<i>Determination Date</i>	The Date which is 4 Business Days prior to a Payment Date. The first Determination Date will be 17 March 2007.
<i>Payment Date</i>	The: <ul style="list-style-type: none"> • 21st day of each month or if the 21st day is not a Business Day, then the immediately following Business Day; and • Final Maturity Date.
<i>First Payment Date</i>	21 March 2007, except in the case of FastPay Notes which will be the Payment Date agreed between the Dealers and FirstMac.
<i>Final Maturity Date</i>	21 February 2038.
<i>Ratings</i>	A condition precedent to the issue of the Notes is that: <ul style="list-style-type: none"> • Standard & Poor's and Fitch Ratings assign ratings of AAA to the Class A Notes and the Class AB Notes and that Moody's assigns a rating of Aaa to the Class A Notes a rating of Aa1 to the Class AB Notes; and • Standard & Poor's and Fitch Ratings assign a rating of AA to the Class B Notes and Moody's assigns a rating of Aa2 to the Class B Notes.

Collection Period The period from (and including) a Determination Date to (but excluding) the immediately succeeding Determination Date. The first Collection Period commences on (and includes) the Cut-Off Date and concludes on (but excludes) the first Determination Date.

Use of proceeds The proceeds from the issue of Notes (other than any FastPay Notes) will be used to purchase or redesignate Eligible Receivables, to maintain the Required Authorised Investment Liquidity Amount and to fund the Prefunded Amount in the Pre-funding Account. The proceeds of issue of any FastPay Notes will be used to provide Further Advances (such amount not to exceed 10% of the aggregate Initial Invested Amount of all Class A Notes and as a result of the Further Advance the weighted average loan to value ratio of Housing Loans in the Series must not exceed 80% or the original weighted average loan to value ratio as of the Closing Date whichever is the lower) and Redraws in respect of the Receivables.

Call Option FirstMac will be entitled to redeem all the Notes in full on the Call Date.

The Call Date will be the earlier to occur of:

- (a) the Payment Date scheduled to fall in February 2012; and
- (b) the Payment Date following the Determination Date on which the aggregate Outstanding Amount of Receivables of the Series is equal to or less than 20% of the aggregate Invested Amount of all Notes issued on the initial Issue Date for the Series,

and each Payment Date thereafter.

Unpaid Interest Interest on any Unpaid Interest accrues daily at the prevailing Rate of Interest from (and including) the date on which the Unpaid Interest arises until it is paid in full. In accordance with the Cashflow Allocation Methodology which applies prior to an Event of Default, on each Payment Date, Unpaid Interest in respect of previous Payment Periods will be paid before the interest payable on the Notes in respect of the current Payment Period.

Business Day A day (not being a Saturday, Sunday or public holiday) on which commercial banks are open for general banking business in Sydney, Melbourne and Brisbane.

***Allocation of
Liquidation
Losses and
Carryover
Charge-Offs***

On any Determination Date or on the Final Maturity Date (as the case may be), if the Manager determines that there are Liquidation Losses in respect of any Eligible Receivable during the immediately preceding Collection Period, the Manager must allocate those Liquidation Losses in the following order:

- (a) first, towards the Class B Notes until the amount so allocated equals the Stated Amount of the Class B Notes (such amount being a “**Class B Charge-Off**”);
- (b) second, upon the Class B Charge-Off equalling the Stated Amount of the Class B Notes as a result of the application of the above paragraph, towards the Class AB Notes until the amount so allocated equals the Stated Amount of the Class AB Notes (such amount being a “**Class AB Charge-Off**”); and
- (c) third, upon the Class B Charge-Off equalling the Stated Amount of the Class B Notes and Class AB Charge-Off equalling the Stated Amount of the Class AB Notes as a result of the application of the above paragraph, towards pari passu and rateably, the Class A Notes and FastPay Notes until the amount so allocated equals the Stated Amount of the Class A Notes and FastPay Notes (such amount being a “**Class A Charge-Off**” and “**FastPay Charge-Off**”).

If, on any Determination Date, the Charge-Offs for the preceding Collection Period exceeds the aggregate of the amount of the Total Interest Collections available for allocation to Liquidation Losses under section 8.10 (“*Calculation and application of Total Interest Collections*”) on that Determination Date, then the Manager must direct FirstMac to, on and with effect from the next Payment Date:

- (a) reduce the Stated Amount of the Class B Notes by the amount of that excess until the Stated Amount of the Class B Notes is reduced to zero (such amount being a “**Class B Carryover Charge-Off**”);
- (b) upon the Stated Amount of the Class B Notes being reduced to zero as a result of the application of this section, reduce the Stated Amount of the Class AB Notes by the amount of that excess until the Stated Amount of the Class AB Notes is reduced to zero

(such amount being a “**Class AB Carryover Charge-Off**”); and

- (c) upon the Stated Amount of the Class B Notes and Class AB Notes being reduced to zero as a result of the application of this section, reduce pari passu and rateably, the Stated Amount of the Class A Notes and FastPay Notes by the amount of that excess until the Stated Amount of the Class A Notes and FastPay Notes is reduced to zero (such amount being a “**Class A Carryover Charge-Off**” and “**FastPay Carryover Charge-Off**”).

Amounts charged off may be reinstated in accordance with section 8.15 (“*Reinstatement of Carryover Charge-Offs*”).

Prefunded Amounts:

If the net proceeds of the issue of the Notes exceeds the aggregate of:

- (a) the amount payable by FirstMac on the Redesignation of the Housing Loans on the Closing Date; and
- (b) Required Authorised Investment Liquidity Amount of Liquid Authorised Investments on the Closing Date,

the excess amount will be the “Prefunded Amount” and will be deposited into an account with an Eligible Bank in the name of FirstMac (“**Pre-funding Account**”). The Manager has agreed to ensure that the Prefunded Amount does not exceed 10% of the aggregate initial Invested Amount of the Notes. Withdrawals from the Pre-funding Account will be made with the consent of the Security Trustee at the written request of the Manager. The Security Trustee has agreed to consent to any such withdrawal provided that the Manager confirms to the Security Trustee that the conditions set out in paragraph (b) are satisfied. The Security Trustee is entitled to accept the authenticity of the Manager’s request and is not required independently to verify whether it has been properly given.

FirstMac may only request that a withdrawal be made from the Pre-funding Account in the following circumstances during the Pre-funding Period:

- (a) to fund Redraws and Further Advances which are

permitted by the Transaction Documents;

- (b) to invest in Authorised Investments provided that the proceeds of any such Authorised Investments must only be used in accordance with this section; and
- (c) to fund the acquisition or Redesignation of the Housing Loans and their Related Securities as Assets of the Trust provided that FirstMac has obtained the written confirmation from each Current Rating Agency that the proposed acquisition or Redesignation will not result in an Adverse Rating Effect.

If any of the Prefunded Amount has not been so used during the Pre-funding Period, it will be included in the Principal Repayment Fund on the immediately following Payment Date and distributed in accordance with section 8.16 (“*Distribution of Principal Repayment Fund*”). The Security Trustee consents to a withdrawal being made in order to comply with the provisions of this paragraph.

Austraclear Notes to be issued under this Information Memorandum will be purchased through Austraclear Limited (“**Austraclear**”) in a manner consistent with the regulations of Austraclear (“**Austraclear Regulations**”).

Governing Law New South Wales.

Transfer Notes may be transferred in whole but not in part.

As at the date of this Information Memorandum, the minimum aggregate consideration payable on each transfer of Notes within, to or from Australia must be at least A\$500,000 (disregarding amounts lent by the transferor or its associates to the transferee) or the offer or invitation resulting in transfer must not otherwise require disclosure to be made in accordance with Part 6D.2 of the Corporations Act.

No Note may be transferred in a manner which may constitute an offer or invitation to a “retail client” under Chapter 7 of the Corporations Act.

Notes that are transferred entirely in a jurisdiction outside of Australia may only be transferred in accordance with the laws of the jurisdiction in which transfer takes place.

Transfers of the Class A Notes, Class AB Notes and Class B Notes will be made in accordance with the Austraclear Regulations.

3.5 The Eligible Receivables

The Eligible Receivables

The Housing Loans are secured by first ranking prime residential mortgages which have been originated by the Originators or by HSBC Bank Australia Limited (“**HSBC Bank**”) in the ordinary course of their mortgage lending businesses. The Housing Loans originated by the Originators which will be acquired from certain Relevant Series and each Relevant Trust have been originated in the name of the relevant FirstSub and, upon their acquisition by the Series of the Trust, FirstSub will hold its right, title and interest in each such Housing Loan on bare trust for, and as nominee of, FirstMac in its capacity as trustee of the Trust in respect of the Series.

The legal title to each Eligible Receivable originated by the Originators will be held by the FirstSub which relates to the relevant Originator. However, beneficial title to each Eligible Receivable will at all times be held by FirstMac. If an Originator Termination Event occurs, then FirstMac will be entitled to, and required to, have transferred to it the legal title to each such Eligible Receivable. Each FirstSub has granted an irrevocable power of attorney to FirstMac to enable it to take such actions.

The legal title of Eligible Receivables originated by HSBC Bank will remain in the name of HSBC Bank although HSBC Bank has agreed to commence a process from the Transition Period End Date (being approximately 30 March 2007) to transfer the legal title to such Eligible Receivables to FirstMac. With respect to the Eligible Receivables originated by HSBC Bank, these were sold to FirstMac in respect of a Relevant Series in December 2006 and will be Redesignated as an asset of the Series on the Issue Date.

Each Originator has made a representation and warranty under the Supplementary Terms Notice to the effect that the Eligible Receivables comply with certain parameters. The receivables parameters are set out in section 14 (“*Receivables Parameters*”). The origination process is discussed in greater detail in section 10 (“*The FirstMac Group*”).

Eligible Receivables are spread across a range of geographic regions and demographics.

Some further information in relation to the Eligible Receivables is set out in section 7 (*"The Housing Loans"*).

***Redesignation
and acquisition of
Eligible
Receivables***

The proceeds of the issue of the Notes will be used to fund (among other things) the redesignation to the Series of a pool of Eligible Receivables from certain Relevant Trusts and Relevant Series.

The consideration for the redesignation or acquisition will be the aggregate Outstanding Amount as at the Cut-Off Date of the Eligible Receivables to be assigned to the Trust, together with any accrued interest in respect of the Eligible Receivables.

***Custody of Loan
Agreements***

Subject to the following sentence, the Custodian will retain custody of all documents relating to the Eligible Receivables forming part of the Assets of the Series. In respect of Eligible Receivables originated by HSBC Bank, HSBC Bank will hold the documents to the relevant Eligible Receivables in accordance with the Transitional Series Agreement until the Transition Period End Date (being approximately 30 March 2007). Such documents will include the loan agreements, mortgages, certificates of title and any documents evidencing any other security or any guarantees and any amending documents and any other Title Documents.

***Servicing of
Eligible
Receivables***

The Servicer has been appointed as Servicer under the terms of the Master Servicer Deed and may only be removed in the circumstances set out in section 9.8 (*"The Servicer"*).

In the event the Servicer is removed as Servicer to the Trust, the Standby Servicer will step in and perform the servicing obligations as set out in the Master Servicer Agreement.

Collections

All collections received in respect of the Eligible Receivables from (and including) the Issue Date will be allocated to the Series.

Moneys due from Debtors under the terms of each Eligible Receivable will be collected by the Servicer.

All monies collected under or in respect of the Eligible Receivables will be paid into the Collection Account for

the Trust within two Business Days of receipt of those funds. The Security Trustee is the authorised signatory of the Collection Account.

Threshold Rate

FirstMac has undertaken to set the Relevant Interest Rate for each Loan Agreement so that the weighted average rate of the Relevant Interest Rates for all Loan Agreements is not less than an agreed percentage per annum plus 0.25% (“**Threshold Rate**”) to ensure that FirstMac has sufficient funds to meet its obligations under the Transaction Documents.

Servicer undertaking

The Servicer undertakes to obtain a valuation from an Approved Valuer of the Land and Improvements in respect of all Housing Loans with a 30 year interest only period on or about each of the 10th, 20th and 25th anniversary of the first drawdown of each such Housing Loan.

If, a valuation which is conducted on the 10th or 20th anniversary of a Housing Loan does not disclose the value of the Land and Improvements for a particular Housing Loan have increased by at least 40% from the value shown in the previous valuation for that Housing Loan, then the Servicer must (as soon as reasonably practicable but not more than 2 months after the date of the relevant valuation) take such steps as available to it at that time to convert that Housing Loan to a Housing Loan which fully amortises over the period of its remaining loan term.

If, a valuation from an Approved Valuer which is conducted on the 25th anniversary of a Housing Loan does not disclose the value of the Land and Improvements for a particular Housing Loan have increased by at least 20% from the value shown in the previous valuation for that Housing Loan, then the Servicer must (as soon as reasonably practicable but not more than 2 months after the date of the relevant valuation) take such steps as available to it at that time to convert that Housing Loan to a Housing Loan which fully amortises over the period of its remaining loan term.

If the Servicer fails to obtain a valuation for a particular Housing Loan by the date which is 2 months following the relevant anniversary, then as soon as reasonably practicable after that time the Servicer must take such steps as are available to it at that time to convert that Housing Loan to a Housing Loan which fully amortises

over the period of its remaining loan term.

3.6 Liquid Authorised Investments

FirstMac must ensure that the Required Authorised Investment Liquidity Amount is maintained at all times. If the Manager determines on a Determination Date that the Interest Collections for the preceding Collection Period are not sufficient to meet Required Payments, then FirstMac will be directed to realise an amount of Liquid Authorised Investments equal to the shortfall and apply that amount towards the Interest Collections on that Payment Date.

On the Closing Date, FirstMac may, at the direction of the Manager, utilise a portion of the Required Authorised Investment Liquidity Amount to fund the purchase price of Receivables insofar as the funding relates to accrued interest on the Receivables. Any such reduction in the Required Authorised Investment Liquidity Amount will be subsequently reimbursed out of Total Interest Collections in accordance with section 8.11 (*“Distribution of Total Interest Collections”*).

3.7 Derivatives Contracts

Subject to the following paragraph, FirstMac will enter into a Derivative Contract with the Counterparty to hedge the interest payable by the Debtors under the Housing Loans with the interest payable by FirstMac under the Notes. To the extent that Housing Loans acquired by the Series have already been hedged under swap agreements relating to another Relevant Trust or Relevant Series, the relevant swap transactions will be novated to the Derivative Contract.

For so long as the aggregate Outstanding Amount of the Housing Loans that have a fixed rate of interest is less than or equal to 3% of the aggregate Outstanding Amount of all Housing Loans, FirstMac will not have any active hedging in place in respect of Housing Loans that have a fixed rate of interest. However, FirstMac may enter into standby swap arrangements with a Counterparty which will require that Counterparty and FirstMac to enter into a fixed and floating rate swap in respect of all Housing Loans that have a fixed rate of interest on the Payment Date after the Determination Date on which the aggregate Outstanding Amount of the Housing Loans that have a fixed rate of interest is greater than 3% of the aggregate Outstanding Amount of all Housing Loans.

In addition, FirstMac may from time to time enter into further interest rate swaps (each an **“Interest Rate Swap”**) with a Counterparty to the extent required for FirstMac to further hedge Receivables against any interest rate risk.

3.8 Security

The obligations of FirstMac in respect of the Notes are secured by a charge granted by FirstMac over the Assets of the Series of the Trust in favour of the Security Trustee. The Security Trustee holds the benefit of the charge on trust for (among others) the Holders, the Counterparty and any other person who is specified as a

“Secured Creditor” in the Transaction Documents (the “**Secured Creditors**”) for the Series.

In addition, the obligations of FirstMac will be guaranteed by each FirstSub. Each FirstSub will grant a charge over its legal title to each Eligible Receivable which it holds as agent for FirstMac in favour of the Security Trustee to secure the relevant FirstSub’s performance of that guarantee.

3.9 Taxes

Withholding Tax

Other than as specified in the terms and conditions of the Notes, all payments by FirstMac in respect of Notes will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, levies, duties, assessments or governmental charges of any nature whatsoever imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision thereof or any authority therein or thereof unless such withholding or deduction is required by law.

It is intended the Notes will be offered, and interest is to be paid from time to time, in a manner which satisfies the exemption from interest withholding tax contained in section 128F of the Income Tax Assessment Act 1936 (Cth) (see section 11 (“*Taxation Considerations*”) for further information.)

If withholding or deduction is required by law, FirstMac (or another entity such as the Security Trustee) will account to the relevant authority for the amount required to be withheld or deducted and no additional amounts in respect of such withholding or deduction will be paid to the relevant holder.

Other tax

For a brief summary of the material Australian tax consequences see section 11 (“*Taxation Considerations*”). However, investors who are in any doubt as to the taxation consequences of investing in Notes should obtain their own taxation advice.

4 Special Considerations and risk factors

The purchase, and subsequent holding, of the Notes is not free from risk. The Manager believes that the risks described below are some of the principal risks inherent in the transaction for Holders and that the discussion in relation to the Notes indicates some of the possible implications for Holders. However, the inability of FirstMac to pay a payment on the Notes may occur for other reasons and the Manager does not in any way represent that the description of the risks outlined below is exhaustive. It is only a summary of some particular risks. There can be no assurance that the structural protection available to Holders will be sufficient to ensure that the payment or distribution of a payment is made on a timely or full basis. Prospective investors should read the detailed information set out elsewhere in this Information Memorandum, review the Transaction Documents, make their own independent investigation and seek their own independent advice as to the potential risks involved in purchasing and holding the Notes.

4.1 Limited Recourse

The Notes are debt obligations of FirstMac in its capacity as trustee of the Trust in respect of the Series. They are issued with the benefit of, and subject to the Master Trust and Security Trust Deed, the Supplementary Terms Notice and the Deed of Charge in respect of the Series.

FirstMac will issue the Notes in its capacity as trustee of the Trust in respect of the Series and will be entitled to be indemnified out of the Assets of the Series for all payments of interest and principal in respect of the Notes. The liability of FirstMac under the Notes is limited to the Assets of the Series. Except in the case of, and to the extent that FirstMac's right of indemnification against the Assets of the Series is reduced as a result of fraud, gross negligence or wilful default, rights may only be enforced against FirstMac by any person and no proceedings may be brought against FirstMac to the extent of FirstMac's right of indemnity and reimbursement out of the Assets of the Series in respect of the Trust. Accordingly, a Holder's recourse against FirstMac with respect to the Notes is limited to the amount by which FirstMac is indemnified from the Assets of the Series in respect of the Trust.

In no circumstances, either before or after the occurrence of an Event of Default in respect of the Series will the Holder of a Note have recourse to the Assets of any Other Series.

Upon the occurrence of an Event of Default in respect of the Series, the Security Trustee will be entitled to enforce the Charge in respect of the Series and apply the Assets of the Series which are charged in favour of the Security Trustee for the benefit of the Secured Creditors of the Series (which term includes the Holders). The Security Trustee may incur costs in enforcing the Charge, 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 of the Series.

4.2 Limited Assets

The Assets of the Series primarily consist of Eligible Receivables, Authorised Investments and other Assets. If the Assets of the Series are not sufficient to make payments of interest or principal on the Series, then payments to Holders will be reduced.

The rights of the Secured Creditors as beneficiaries under the Security Trust are restricted. In particular, the Secured Creditors have only limited rights with respect to the direction and removal of the Manager, FirstMac and the Security Trustee, and the winding up of the Trust.

4.3 Secondary Market Risk

There is currently no secondary market for the Notes. There is no assurance that any secondary market will develop or, if one does develop, that it will provide liquidity of investment or will continue for the life of the Notes. No assurance can be given that it will be possible to effect a sale of the Notes, nor can any assurance be given that, if a sale takes place, it will not be at a discount to the acquisition price or the face value of the Notes. However, each Dealer has agreed to use reasonable endeavours, subject to market conditions, to promote a secondary market in the Notes to assist liquidity in the Notes.

4.4 Early Principal Distributions

Subject to the Cashflow Allocation Methodology, Principal Collections in respect of the Eligible Receivables will be repaid to Holders on each Payment Date and will reduce the principal balance of the Notes. Principal Collections will consist of the principal component of scheduled payments and partial or full prepayments, including as received as Timely Payment Cover. Principal Collections may be utilised to meet Liquidity Shortfalls in priority to payment to Holders. There can be no assurances as to the amount of Principal Collections to be received in any Collection Period or the amount retained to meet Liquidity Shortfalls.

Eligible Receivables are expected to mature prior to the Final Maturity Date of the Notes. In addition, a Debtor in respect of an Eligible Receivable may choose to make a repayment, in part or in full, of the amount outstanding under the Eligible Receivable prior to the scheduled maturity profile of the Eligible Receivable. The reasons for the early payment may include, but are not limited to, the level of interest rates, general economic conditions, legal and political conditions, availability of more competitive funding alternatives, changes in the funding requirements of the Debtor, the overall economic circumstances of the Debtor, or receipts from disposal of assets as part of enforcement proceeds.

Prospective Holders should also be aware that to the extent that the Prefunded Amount is not utilised in the Pre-funding Period towards the Redesignation of Eligible Receivables or the funding of Redraws and Further Advances, such

unutilised amount will form part of the Principal Repayment Fund and will be used to redeem to Notes.

Prospective Holders who consider any projection of the weighted average life or maturity in determining the price of a Note should be aware that these Notes are subject to maturity and prepayment risk based on the principal payment behaviour of the Eligible Receivables which may change.

4.5 Deed of Charge

Following the enforcement of the Charge under the Deed of Charge, the Security Trustee will be required to apply moneys otherwise available for distribution in the order of priority set out in the Supplementary Terms Notice and in section 9.9 (“*Security structure*”) of this Information Memorandum. 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. Neither the Security Trustee nor FirstMac will have any liability to the Secured Creditors in respect of any such deficiency.

4.6 Consumer Credit Code

The Consumer Credit Code took effect in all states (except Tasmania) and territories of Australia on 1 November 1996, and in Tasmania on 1 March 1997. Some of the Housing Loans are regulated under the Code. Under the terms of the Code, FirstMac is a “credit provider” with respect to regulated loans, and as such is exposed to civil and criminal liability for certain violations.

If FirstMac is found to have been in breach of the Code and is ordered to pay a sum of money as a result of that breach, FirstMac may seek relief under the indemnity provided to it by the Manager in the Master Management Deed.

Under the Code, the Debtor may have the right to apply to a court to:

- (a) vary the terms of a loan based on the grounds of hardship;
- (b) vary the terms of a loan where the contract may be considered unjust;
- (c) reduce or cancel any interest rate payable on a loan which is unconscionable;
- (d) have the provisions of a loan declared void or enforceable where they are in breach of specific provisions of the legislation;
- (e) impose a civil penalty for contraventions of certain disclosure obligations (ie Key Provisions);
- (f) obtain restitution or compensation from FirstMac in relation to any breach of the Code;
- (g) be compensated for any loss; and

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

Any such order may affect the timing or amount of collections under the relevant Eligible Receivable which may in turn affect the timing or amount of interest and principal payments under the Notes.

The Originators have made certain representations and warranties that the Eligible Receivables complied with all applicable laws at the time the Eligible Receivables were made. The Servicer has undertaken to comply with the Consumer Credit Code in servicing those loans regulated by the legislation.

4.7 Delinquency/Default Risk

The failure by Debtors to make payments on the Housing Loans when due may result in FirstMac having insufficient funds available to it to make full payments of interest and principal to the Holders.

FirstMac's obligation to pay interest and to repay principal in respect of the Notes is limited to its receipts under or in respect of the Housing Loans, the Insurance Policies and the amount of any Liquid Authorised Investments then held by FirstMac (described in (section 6 "*Credit Support*")). Holders must rely for payment under the Notes on Debtors making payments under the Housing Loans, the Mortgage Insurers paying any claims properly made under the relevant Insurance Policy and on there being sufficient funds available from the following sources to meet any shortfall:

- (a) Principal Draw; and
- (b) the Liquid Authorised Investments.

A wide variety of factors of legal, economic, political or other nature could affect the performance of Debtors in making payments of interest and principal under the Housing Loans. In particular, if interest rates increase significantly, Debtors may experience distress and increased default rates on the Housing Loans may result. In addition, under the Code, a court may order a Housing Loan to be varied on the grounds of hardship.

If a Debtor defaults on payments under a Housing Loan and the Servicer enforces the Mortgage and takes possession of the relevant property, many factors may affect the price at which the property is sold and the length of time taken to complete that sale. Any delay or loss incurred in this process may affect the ability of FirstMac to make payments, and the timing of those payments, in respect of the Notes.

4.8 Recent Origination of the Housing Loans

The Housing Loans have all been originated in a period from 6 August 1993 to the Cut-Off Date. Accordingly, all of the Housing Loans are not fully seasoned and may display different characteristics until they are fully seasoned.

4.9 Geographic Concentration of Mortgage Loans

If the Series contains a high concentration of Housing Loans secured by properties located within a single state or region within Australia, any deterioration in the real estate values or the economy of any of those states or regions could result in higher rates of delinquencies, foreclosures and loss than expected on the Housing Loans. In addition, these states or regions may experience natural disasters, which may not be fully insured against and which may result in property damage and losses on the Housing Loans.

4.10 Only Self Certified Housing Loans and Easy Doc Housing Loans

All of the loans in the pool will be Self Certified Loans and Easy Doc Loans.

In the case of a Self Certified loan, the borrower declares an income amount but the income is not independently verified. However, the loan application is treated in all other respects in the same way as a full documentation loan, and the same underwriting criteria applies. The borrower is required to sign a statutory declaration to the effect that the income declared is true and correct and that the loan amount, and all other personal and financial commitments can be met without undue hardship, and must acknowledge that the lender is relying on the borrower's statement as to income and serviceability when assessing whether or not to grant the loan.

In the case of Easy Doc Loans, the borrower does not disclose an income amount. An Easy Doc Loan is essentially an asset lend with no assessment made of the borrower's ability to repay. For this reason the LVR is restricted and borrowers must provide evidence of clear credit histories. The borrower is also required to sign a statutory declaration acknowledging the loan repayment and declaring that the loan amount, and all other personal and financial commitments can be met without undue hardship and must acknowledge that the lender is relying on the borrower's statement as to serviceability when assessing whether or not to grant the loan.

Where the relevant loans are regulated by the Consumer Credit Code, the loan documentation, statutory declaration and procedures for granting these loan types have all been signed off by competent independent solicitors as being Consumer Credit Code compliant.

The manner by which FirstMac accepts the borrower's repayment capacity for these loan types may increase the associated credit risk and investors should consider how the inclusion of these loan types may affect the performance of the Trust.

Investors should consider how the inclusion of only Self Certified Loans and Easy Doc Loans may affect the performance of the Trust.

4.11 Mortgage Insurance Risk

The liability of the Mortgage Insurer is governed by the terms of the relevant Insurance Policy, which contains certain exclusions that may allow that Mortgage Insurer to reduce a claim or terminate mortgage insurance cover in respect of a Housing Loan in certain circumstances. Any such reduction or termination may affect the ability of FirstMac to pay principal and interest on the Notes, and accordingly, the ability of FirstMac to pay interest and make principal payments in respect of the Notes. The exclusions and conditions differ between Insurance Policies.

The rating of the Notes may be adversely affected in the event that a Mortgage Insurer is downgraded by the Current Rating Agencies.

There is no guarantee that a Mortgage Insurer will promptly make payment under any Insurance Policy or that the Mortgage Insurer will have the necessary financial capacity to make any such payment at the relevant time.

Substantial delays could be encountered in connection with the enforcement of a Housing Loan and result in shortfalls in distributions to Holders to the extent not covered by an Insurance Policy or if the relevant 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 Insurance Policy) will reduce the net amounts recoverable by FirstMac from an enforced Housing Loan. In the event that any of the properties fail to provide adequate security for the relevant Housing Loan, Holders could experience a loss to the extent the loss was not covered by a Insurance Policy or if the relevant Mortgage Insurer failed to perform its obligations under the relevant Insurance Policy.

Approximately ninety nine per cent (99%) of the Housing Loans as at the date of their origination will be covered by 24 month Timely Payment Cover. If the Mortgage Insurers do not meet their obligations under such Timely Payment Cover, FirstMac may not have sufficient funds to meet payments of principal and interest on the Notes.

4.12 Redesignation of Eligible Receivables

Pursuant to the terms of the Master Trust and Security Trust Deed, FirstMac as trustee of each Relevant Trust and, if applicable, in respect of each Relevant Series will transfer certain Eligible Receivables to the Series. This process is known as Redesignation. Where FirstMac as trustee of each Relevant Trust and, if applicable, in respect of each Relevant Series transfers Eligible Receivables to FirstMac, the beneficial interest in the Eligible Receivables is transferred from FirstMac as trustee of each Relevant Trust and, if applicable, in respect of each Relevant Series as the case may be, to FirstMac and the legal title remains with the relevant FirstSub or HSBC Bank.

4.13 Equitable Assignment

If a Title Perfection Event occurs, FirstMac and the Manager must take such steps as are necessary to protect FirstMac's legal title to, and interest in, the Receivables. Until such time, FirstMac is not permitted to take any steps to protect its title and, in particular, will not be able to notify Debtors of the equitable assignment of the Receivables to FirstMac provided that after the Transition Period End Date (being approximately 30 March 2007) steps will be taken to perfect FirstMac's title in Eligible Receivables originated by HSBC.

Generally, FirstMac will also not be entitled to lodge a caveat to protect its equitable interest.

The delay in notification to a Debtor of the assignment of the Receivables to FirstMac may have the following consequences:

- (a) until a Debtor has notice of the assignment, the Debtor is not bound to make payments under the Receivable to anyone other than the lender of record and can obtain a valid discharge from that entity;
- (b) for so long as FirstMac holds only an equitable interest in the Receivables, FirstMac's interest in them may become subject to the interests of third parties created after the creation of FirstMac's equitable interest but prior to it acquiring a legal interest; and
- (c) for so long as FirstMac holds only an equitable interest in the Receivables, it must join the lender of record as a party to any legal action against any Debtor in relation to the enforcement of any Receivables.

4.14 Proposed changes to the Basel Capital Accord ("Basel II")

In June 1999, the Basel Committee on Banking Supervision ("**Basel Committee**") issued proposals for reform of the 1988 Capital Accord and proposed a new capital adequacy framework which places enhanced emphasis on market discipline. Following an extensive consultation period on its proposals, the Basel Committee announced on 11 May 2004 that it had achieved consensus on the framework of the "**New Basel Capital Accord**". The text of the New Basel Capital Accord was published on 26 June 2004. This text will serve as the basis for national and supra-national rule-making and approval processes to continue and for banking organisations to complete their preparation for the implementation of the New Basel Capital Accord at year end 2006.

Consequently, recipients of this Information Memorandum should consult their own advisers as to the consequences to and effect on them of the potential application of the New Basel Capital Accord proposals.

4.15 Australian Anti-Money Laundering and Counter-Terrorism Financing Regime

The Australian Government released exposure drafts of the Anti-Money Laundering and Counter-Terrorism Financing Bill (“**AML/CTF Bill**”) which is intended to replace the current Australian Financial Transactions Reports Act 1988. The AML/CTF Bill proposes a number of significant changes to Australia's anti-money laundering and counter-terrorism financing regulation.

Under the AML/CTF Bill, if an entity has not met its obligations under the AML/CTF Bill, 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.

4.16 Originator Termination Event

If an Originator Termination Event occurs in respect of an Originator or a FirstSub, FirstMac and the Manager must take such steps as are necessary to protect FirstMac's legal title to, and interest in, the Receivables in respect of which the relevant FirstSub has entered into as agent for FirstMac. Until such time, FirstMac will not be able to notify Debtors of the underlying ownership of the Receivables by FirstMac in respect of such Receivables. However, until that time, the Security Trustee will have the benefit of a charge granted by the relevant FirstSub over its legal title to the relevant Receivables which will secure the FirstSub's performance of its guarantee as described in section 3.8 (“*Security*”) above.

4.17 Termination of Appointment of Manager or the Servicer

The appointment of the Manager and the Servicer may be terminated in certain circumstances which are outlined in section 9.7 (“*The Manager*”) and section 9.8 (“*The Servicer*”) respectively. If the appointment of either of them is terminated, a substitute will need to be found to perform the relevant role for the Trust. The appointment of a substitute will not have effect until each Current Rating Agency has confirmed in writing that such appointment will not result in an Adverse

Rating Effect. 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.

To minimise the risk of not being able to find a suitable substitute servicer, FirstMac, the Manager and the Servicer have entered into the Master Servicer Deed with Perpetual as “Standby Servicer”.

4.18 Master Trust and Security Trust Deed and Deed of Charge

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 Secured Creditors, must enforce the Charge in accordance with the terms of each of the Master Security Trust Deed and the Deed of Charge. That enforcement may include the sale of the Assets of the Series.

Following the enforcement of the Charge and sale of the Assets of the Series, the Security Trustee will be required to apply moneys otherwise available for distribution in the order of priority set out in the Supplementary Terms Notice and in section 9.9 (“*Security structure*”) of this Information Memorandum. However, no assurance can be given that the Security Trustee will be in a position to sell the Assets of the Series for an amount equal to the then outstanding amount under the Housing Loans held in the Series. Accordingly, the Security Trustee may not be able to realise the full value of the underlying Housing Loans.

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 FirstMac’s ability to repay all amounts outstanding in relation to the Notes.

Neither the Security Trustee nor FirstMac will have any liability to the Secured Creditors in respect of any such deficiency.

4.19 Nature of Security

Under the Deed of Charge, FirstMac grants a first ranking floating charge over all the Assets of the Series in favour of the Security Trustee to secure the payment of moneys owing to creditors of the Series, including, among others, the Holders, the Counterparty, the Custodian, the Registrar, the Manager and the Servicer.

If a company grants a fixed security over any of its assets, those assets may not be dealt with by the company without the consent of the relevant mortgagee. In this way, the security is said to “fix” over the specific assets. Fixed securities are usually given over real property, marketable securities and other assets which will not be dealt with by FirstMac.

Unlike fixed securities, floating charges do not attach to specific assets but instead “float” over a class of assets which may change from time to time, allowing the chargor to deal with those assets and to give third party title to those assets free

from any encumbrance. The Deed of Charge provides that FirstMac may not deal with the Assets of the Series subject to the floating charge, except in the ordinary course of its business. It is common in Australia for securitisation vehicles, such as FirstMac, to give floating charges rather than fixed charges.

The floating charge created by the Deed of Charge may “crystallise” and become a fixed charge over the relevant class of Assets of the Trust at the time of crystallisation. Crystallisation will occur automatically following the occurrence of an Event of Default under the Deed of Charge.

4.20 Ratings

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

4.21 Goods and Services Tax

The goods and services tax in Australia may decrease the funds otherwise available to the Trust to make payments on the Notes.

A goods and services tax is payable on a taxable supply which is made by an entity which is registered or required to be registered for GST. Some service providers that provide services to the Trust or FirstMac would be liable for GST in respect of such supplies and may pass on that additional cost to the Trust or FirstMac (as the case may be) where it has a contractual entitlement to do so. The amount of GST is calculated by reference to the consideration which is connected to the supply. Where a supply is made between associates for income tax purposes, below market consideration is provided, and the recipient is not entitled to a full input tax credit, the GST will be calculated by reference to market value consideration for the relevant taxable supply. To the extent that the Trust cannot recoup the amount it pays to a service provider on account of GST by way of an equivalent input tax credit, it may have less funds available to meet its obligations. If the Trust is entitled to a reduced input tax credit (equal to 75% of the amount of GST payable by the supplier to the Australian Taxation Office), the amount of any deductions otherwise available to the Trust would be reduced by this reduced input tax credit amount. See section 11 (“*Taxation Considerations*”) for an outline of GST and the Trust.

4.22 Interest Withholding Tax

There will not be any deduction on payments of interest under the Notes on account of interest withholding tax, where the Note Holder is an Australian

resident or a non-resident who holds the Notes in the course of carrying on a business at or through a permanent establishment in Australia.

Interest withholding tax will be deducted on payments of interest to any person who is an Australian resident who holds the Notes in the course of carrying on a business at or through a permanent establishment outside Australia or a non-resident Holder (other than a non-Australian resident who holds the Notes in the course of carrying on a business at or through a permanent establishment in Australia) unless the Notes are offered, and interest is paid from time to time, in a manner which satisfies the exemption from interest withholding tax contained in section 128F of the Income Tax Assessment Act 1936 (Cth) (see section 11 (*"Taxation Considerations"*) for further information).

It is intended by FirstMac that the Notes will be offered, and interest is to be paid, in a manner which satisfies the exemption set out in that section.

4.23 Further Advances

Further Advances may be requested by a Borrower and if granted may take the Outstanding Amount on the Housing Loan above the original amount approved. Any request of this nature is at the discretion of the Servicer, requires the approval of the relevant Mortgage Insurer and is subject to a full credit assessment as if the Further Advance was a new Housing Loan. If the request is granted the Debtor enters into a contract to vary the original Mortgage.

Total Further Advances over the life of the Trust are limited to 10% of the original principal amount of the Class A Notes. Further Advances may not be made on 30 year interest only Housing Loans and any Further Advance must not result in the LVR of the Housing Loan rising above 80% or the original weighted average LVR as of the Closing Date whichever is the lower.

No Further Advance may be made in respect of any Housing Loan which is in arrears at that time.

Further Advances will be funded out of Principal Collections and consequently could affect the timing at which principal is passed through to Holders.

4.24 Prefunded Amount

If FirstMac uses the Prefunded Amount to acquire new Housing Loans and their Related Securities, make any Redraws or make any Further Advances (or any combination of the above), the characteristics of the loan portfolio listed in section 7.6 (*"Pool Statistics (Based on pool as at 31 January 2007)"*) and the estimated average lives of the Notes may be altered.

5 Description of the Notes

5.1 General Description of the Notes

The Notes constitute debt securities issued by FirstMac in its capacity as trustee of the Trust and in respect of the Series. FirstMac's liability to pay interest and repay principal on the Notes will be limited to the Assets of the Series, except in the case of FirstMac's fraud, gross negligence or wilful default. The Notes are characterised as secured and amortising, pass through, floating rate debt securities. They are issued with the benefit of, and subject to, the Master Trust and Security Trust Deed, the Supplementary Terms Notice and the Deed of Charge.

Three Classes of Notes will be issued - Class A Notes, Class AB Notes and Class B Notes. FirstMac may also in certain limited circumstances issue FastPay Notes. The Notes within a Class rank pari passu in respect of the payment of interest and principal.

The Class A Notes will rank pari passu in respect of the payment of interest and repayment of principal, both before, and after, the occurrence of an Event of Default and the enforcement of the Deed of Charge.

The Class AB Notes will rank after the Class A Notes in relation to the payment of interest and pari passu in relation to the repayment of principal before the occurrence of an Event of Default and enforcement of the Deed of Charge. The Class AB Notes will rank after the Class A Notes in respect of the payment of interest and principal after the occurrence of an Event of Default and enforcement of the Deed of Charge.

The Class B Notes rank after the Class A Notes and Class AB Notes in respect of the payment of interest and principal, both before, and after, the occurrence of an Event of Default and the enforcement of the Deed of Charge.

The Manager may direct FirstMac from time to time to issue FastPay Notes. Prior to an Event of Default and the enforcement of the Deed of Charge, FastPay Notes will rank pari passu with Class A Notes in respect of the payment of interest, and will rank in priority to the Class A Notes in respect of the payment of principal. Following an Event of Default and the enforcement of the Deed of Charge, FastPay Notes will rank pari passu with Class A Notes.

The Notes have the priorities given to them in section 8.17 ("*Application of proceeds following an Event of Default*") in the event of enforcement under the Deed of Charge.

5.2 FastPay Notes

FirstMac may from time to time issue FastPay Notes. It is a condition precedent to each issue of FastPay Notes that, upon issue, the rating of Class A Notes, Class AB Notes and Class B Notes will not be adversely affected.

If the Invested Amount of a FastPay Note is not redeemed in full on or before the FastPay Stepup Date, then that FastPay Note will be treated in all respects as a Class A Note with effect from that Payment Date immediately following the FastPay Stepup Date (except the Relevant Margin will be the FastPay Margin plus the relevant Stepup Margin).

5.3 Interest on the Notes

Interest on a Note is paid on the Invested Amount of that Note calculated as at the first day of the relevant Payment Period.

The Invested Amount means, in respect of a Note on any date, an amount equal to the Initial Invested Amount of that Note less the sum of principal repayments previously made on that Note.

Interest on the Notes is payable monthly in arrears until the first to occur of:

- (a) the date upon which the Invested Amount of the Notes is reduced to zero;
- (b) the date upon which the Stated Amount of the Notes is reduced to zero (if the Stated Amount of the Notes is less than its Invested Amount);
- (c) the date upon which the Holder renounces its rights in respect of the Notes;
and
- (d) the date on which FirstMac completes a sale and realisation or Redesignation of all Assets of the Series in accordance with the Master Trust and Security Trust Deed and the Supplementary Terms Notice.

The Notes will bear a floating rate of interest, at the Rate of Interest for the relevant Note. The first payment of Interest on the Notes will occur on the first Payment Date.

5.4 Calculating Interest

Interest on each Note is calculated for each Payment Period:

- (a) at the Rate of Interest for that Note for that Payment Period;
- (b) on the Invested Amount of that Note on the first day of that Payment Period; and
- (c) on the actual number of days in that Payment Period and assuming a year of 365 days.

5.5 Payment Period

The first Payment Period for the Notes commences on (and includes) the Issue Date and ends on (but excludes) the First Payment Date. Each succeeding Payment Period is the period from (and including) a Payment Date and up to (but

excluding) the next Payment Date. The final Payment Period ends on (but excludes) the date on which the Notes are redeemed in accordance with the Supplementary Terms Notice.

5.6 Rate of Interest

The Rate of Interest in respect of a Payment Period is a rate equal to the aggregate of the Bank Bill Rate for all Notes for that Payment Period plus the Relevant Margin.

If the Class A Notes are not redeemed on the first Call Date, then with effect from that Call Date, the Relevant Margin in respect of the Class A Notes will double.

5.7 Interest Payments

If available funds are sufficient for this purpose in accordance with the Supplementary Terms Notice, interest on the Notes will be paid on each Payment Date in arrears in respect of the Payment Period ending on (but excluding) that Payment Date.

5.8 Principal Repayment

On each Payment Date, the Principal Repayment Fund will be applied generally for the purpose of making principal repayments under the Notes and also for providing support for the payment of Required Payments by way of a Principal Draw. See section 6.7 ("*Principal Draw*").

5.9 Payments

Any amounts payable by FirstMac to a Holder will be paid in Australian dollars:

- (a) by cheque, electronic funds transfer or other agreed methods, provided to the payee at its address for service of notices or by transfer of immediately available funds to the account specified by the payee, in either case, by 11:00am (Sydney time) on the due date; and
- (b) without set-off, counterclaim or other deduction.

5.10 Limit on Rights

Neither the Master Trust and Security Trust Deed nor the Deed of Charge confers any right, power, or authority on the Holders to:

- (a) take any action, or to direct the Manager or FirstMac to take or refrain from taking any action, with respect to any Asset of the Series; or
- (b) remove the Manager, FirstMac, or the Security Trustee; or
- (c) call or to attend certain meetings (other than under the Deed of Charge); or

- (d) wind up the Trust; or
- (e) take any other action which would contravene the intent of the Master Trust and Security Trust Deed.

5.11 Registry

The Registrar will maintain a register of Note Holders (“**Register**”) at its offices at Level 42, 1 Macquarie Place, Sydney, NSW, 2000. Amongst other details, the Register will record the name and address of each Holder, the Notes issued, the original face amount and current principal balance of each holding.

The Register will be closed after 5.00pm (Sydney time) on the day two Business Days prior to each Payment Date in order to make distributions to Holders.

The Registrar may establish any other rules reasonably required to maintain the Register in an orderly fashion, which rules can be inspected at the Registrar’s offices.

The Registrar will delegate functions in respect of maintaining the Register to J.P. Morgan Trust Australia Limited under the Delegation Deed.

5.12 Registration and Transfer

The Register will be conclusive as to the ownership of and entitlements under the Notes. No certificates will be issued in respect of the Notes. FirstMac may provide a Holder with an acknowledgment in respect of that Holder’s holding of Notes.

A transfer of Notes may be effected only by a Holder duly completing, stamping (as required), and lodging with the Registrar a transfer and acceptance form, copies of which may be obtained at the Registrar’s offices together with the acknowledgment in respect of the Notes. A Holder may request that a transfer and acceptance form be marked, in which case the Registrar will not register any transfer of Notes, except as specified on the marked form and for a period specified on the form.

A transfer will take effect only when the transfer is registered.

No transfer will be recognised unless made pursuant to an excluded offer or excluded invitation as such terms are defined in the Corporations Act.

5.13 Austraclear

It is expected that the Class A Notes, Class AB Notes and the Class B 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. All payments in respect of the Notes lodged into Austraclear will be made to Austraclear Limited, for transfer in accordance with the Austraclear rules. All

notices to Holders of Class A Notes, Class AB Notes and Class B Notes will be directed to Austraclear Limited.

If Class A Notes, Class AB Notes and Class B Notes are lodged into the Austraclear system, Austraclear Limited will become the registered holder of those Notes in the Register of Holders. While those Notes remain in the Austraclear system:

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

6 Credit Support

6.1 Introduction

The Cashflow Allocation Methodology has been structured to provide certain protections for each category of Holder as set out below. The following protections are in place:

- (a) excess available income - the Borrower Rates are required to be set at pre-determined levels in order to provide excess income that is intended to protect all Holders;
- (b) subordination of the Class AB Notes to the Fast Pay Notes and Class A Notes - this is intended to provide a certain degree of protection to the Fast Pay Holders and Holders of Class A Notes;
- (c) subordination of the Class B Notes to the FastPay Notes, Class A Notes and Class AB Notes - this is intended to provide a certain degree of protection to the Holders of FastPay Notes, Holders of Class A Notes and Holders of Class AB Notes;
- (d) the Principal Draws and Liquid Authorised Investments are available in order to ensure the timely payment of interest to the Holders of FastPay Notes, Holders of Class A Notes, Holders of Class AB Notes and Holders of Class B Notes; and
- (e) Insurance Policies - each Housing Loan will have the benefit of an Insurance Policy. All such Insurance Policies will also include Timely Payment Cover. Timely Payment Cover will, if necessary, to that extent be available to ensure the timely payment of interest on the Notes.

6.2 Insurance Policies

The Eligibility Criteria require that each Housing Loan must be covered by an Insurance Policy.

The Insurance Policies will be master policies written by a Mortgage Insurer. Each Mortgage Insurer will acknowledge that the Insurance Policies are available for the benefit of FirstMac.

Subject to the terms of the Insurance Policies, FirstMac will be covered against principal and interest losses on the Housing Loans, Enforcement Expenses, Timely Payment Cover, for up to 24 scheduled monthly instalments. See section 7 (“*The Housing Loans*”) for further information.

6.3 Excess available income

Under the Supplementary Terms Notice, the second layer of protection provided to Holders against any potential losses is provided by the allocation of the excess income. The excess income is generated to the extent the Eligible Receivables

generate more income than is required to meet the expected payments to be made in respect of the Trust. Income will be allocated in accordance with the Cashflow Allocation Methodology set out in section 8 (“*Cashflow Allocation Methodology*”). As part of the allocation of income, any excess income after meeting the Required Payments and reimbursing any outstanding Principal Draws (each as defined in the Cashflow Allocation Methodology) is applied first in reinstating any Liquidation Losses from the current or previous Payment Periods (see section 8.11(q) (“*Distribution of Total Interest Collections*”) and following).

6.4 The Subordination of Class AB Notes to Class A Notes

The rights of the Holders of Class AB Notes to receive interest will be subordinated in priority of payment to the rights of the Holders of Class A Notes to receive interest. The Holders of Class AB Notes will not receive any interest unless FirstMac has sufficient funds available to it to make all payments ranking in order of priority ahead of the payment of interest to the Holders of Class AB Notes, as set out in the Cashflow Allocation Methodology (see section 8 (“*Cashflow Allocation Methodology*”)).

6.5 The Subordination of Class B Notes to Class A Notes and Class AB Notes

The rights of the Holders of Class B Notes to receive interest will be subordinated in priority of payment to the rights of the Holders of Class A Notes and Holders of Class AB Notes to receive interest. The Holders of Class B Notes will not receive any interest unless FirstMac has sufficient funds available to it to make all payments ranking in order of priority ahead of the payment of interest to the Holders of Class B Notes, as set out in the Cashflow Allocation Methodology (see section 8 (“*Cashflow Allocation Methodology*”)).

The rights of the Holders of Class B Notes to receive principal repayments will be subordinated to the rights of the Holders of Class A Notes and Holders of Class AB Notes to receive principal payments as set out in the Cashflow Allocation Methodology (see section 8 (“*Cashflow Allocation Methodology*”)).

6.6 Liquid Authorised Investments

FirstMac must ensure that it holds and maintains the Required Authorised Investment Liquidity Amount of Liquid Authorised Investments.

If the Manager determines, on any Determination Date, that the Interest Collections for the relevant Payment Period are not sufficient to meet the Required Payments for that Payment Period then the Manager will advise FirstMac of that insufficiency and must direct FirstMac to realise an amount of the Liquid Authorised Investments and apply that amount towards the Total Interest Collections for that Payment Period.

If the Manager determines, on any Determination Date, that the amount of Liquid Authorised Investments exceeds the Required Authorised Investment Liquidity Amount on that Determination Date (taking into account all payments to be made

on the immediately following Payment Date), then the Manager must direct FirstMac to realise an amount of the Liquid Authorised Investments in an amount equal to that excess and allocate that amount to the Principal Repayment Fund for distribution as part of the Principal Repayment Fund.

On the Closing Date, FirstMac may, at the direction of the Manager, utilise a portion of the Required Authorised Investment Liquidity Amount to fund the purchase price of Receivables insofar as the funding relates to accrued interest on the Receivables. Any such reduction in the Required Authorised Investment Liquidity Amount will be subsequently reimbursed out of Total Interest Collections in accordance with section 8.11 (*“Distribution of Total Interest Collections”*).

On the Final Maturity Date, FirstMac must realise the remaining Liquid Authorised Investments and at the direction of the Manager, allocate such amount to the Principal Repayment Fund for distribution as a part of the Principal Repayment Fund.

6.7 Principal Draw

If the Manager determines on any Determination Date that the aggregate of the Interest Collections for the relevant Payment Period and the realisation of Liquid Authorised Investments are not sufficient to meet the Required Payments for that Payment Period, then the available amount of Principal Collections calculated in accordance with section 8.6 (*“Calculation of Principal Collections”*) held by FirstMac will be applied to meet that shortfall (a **“Principal Draw”**).

6.8 Threshold Rate

The Servicer undertakes that it will maintain the interest rate payable by Debtors in respect of the Receivables at a rate which is at least equal to the Threshold Rate.

The **“Threshold Rate”** means 0.25% plus the minimum rates required to be set on the Receivables which will ensure that FirstMac has sufficient funds (from Collections on such Receivables as well as any net amounts due to it under Derivative Contracts) available to meet its obligations, including the payment of the Threshold Amount, under the Transaction Documents (assuming that all parties comply with their obligations under such documents and such Receivables) and taking into account Receivables where the Servicer does not have the discretion under the related Loan Agreement to vary the interest rate of that Receivable and moneys held in Authorised Investments.

7 The Housing Loans

7.1 Origination of Housing Loans

FirstMac appoints each Originator as its agent to originate Housing Loans and Related Security (“**Eligible Receivables**”) in respect of each relevant trust pursuant to the terms of the Master Origination Deed. Each Originator undertakes to procure applications, approve loans and attend to the settlement of loans in accordance with:

- (a) the terms of the Master Origination Deed;
- (b) the requirements of any relevant Servicing Procedures;
- (c) the then current Receivables Parameters;
- (d) the requirements of any relevant Insurance Policy; and
- (e) any written instructions given by FirstMac or the Mortgage Insurer.

When an Originator receives or recovers moneys in respect of, or on account of Eligible Receivables, those moneys are held by the relevant Originator for and on behalf of FirstMac. Under the Master Origination Deed, each FirstSub is appointed as agent of FirstMac to enter into the Eligible Receivables and acknowledges that it will hold its right, title and interest in, to and under the Eligible Receivables which it enters into at all times as bailee of FirstMac (who will own beneficial title to the Eligible Receivables), and each FirstSub will not be entitled to any interest in such Eligible Receivables or moneys in respect of, or on account of such Eligible Receivables, whether by way of resulting trust, lien or otherwise.

The legal title to each Eligible Receivable will be held by the FirstSub which relates to the relevant Originator. However, beneficial title to each Eligible Receivable will at all times be held by FirstMac. If an Originator Termination Event occurs, then FirstMac will be entitled to, and required to, have transferred to it the legal title to each such Eligible Receivable. Each FirstSub has granted an irrevocable power of attorney to FirstMac to enable it to take such actions.

7.2 Purchase of Housing Loans

FirstMac Debt Securities originates mortgages in the course of carrying on its business, and may offer to sell to FirstMac its right, title and interest in and to the Eligible Receivables from time to time.

Under the Nomination Deed, FirstMac Debt Securities has nominated each Nominee Company to enter into and hold the legal title in the relevant Eligible Receivables on behalf of FirstMac Debt Securities as nominee and bare trustee only. The beneficial ownership of each Eligible Receivable vests in FirstMac Debt Securities under the terms of the Nomination Deed.

Under the Nomination Deed and the Securitisation Deed, FirstMac Debt Securities is permitted to assign the beneficial ownership in a pool of Eligible Receivables to FirstMac. FirstMac Debt Securities may do this by arranging for the negotiation and execution of the documents that relate to the acquisition and funding of the relevant pool of Eligible Receivables. It must enter into a Mortgage Sale Agreement with FirstMac, and FirstMac must pay a purchase price for that pool of Eligible Receivables on the date of acquisition.

If FirstMac Debt Securities wishes to offer to sell Eligible Receivables to FirstMac pursuant to the Mortgage Sale Agreement, it may do so by giving a Sale Notice in relation to those Eligible Receivables. FirstMac may only accept the offer contained in the Sale Notice by paying the Purchase Price to or at the direction of FirstMac Debt Securities in accordance with the terms of the Mortgage Sale Agreement.

The terms of the Nomination Deed, the Securitisation Deed and the Mortgage Sale Agreement provide that the effect of the offer by FirstMac Debt Securities to FirstMac to acquire a pool of Eligible Receivables, and the payment of the purchase price for that pool of Eligible Receivables, is that:

- (a) the Nominee Company holds its legal title to the relevant Eligible Receivables as nominee for, and on bare trust for, FirstMac, and not FirstMac Debt Securities; and
- (b) the beneficial interest in the Eligible Receivables is transferred from FirstMac Debt Securities to FirstMac.

For the purposes of the FirstMac Mortgage Funding Trust in respect of Series 1-2007, FirstMac will not be purchasing any Eligible Receivables from FirstMac Debt Securities in the manner described above. It may only acquire Eligible Receivables through Redesignation (see section 7.3 (“*Redesignation of Housing Loans*”)) from each Relevant Trust, including in respect of each Relevant Series, as the case may be. However, the Eligible Receivables acquired by FirstMac through Redesignation may have been assigned to FirstMac (as trustee of each Relevant Trust, including in respect of each Relevant Series (as applicable)) in the manner described above.

7.3 Redesignation of Housing Loans

Each Relevant Trust, including in respect of a Relevant Series, as the case may be, may hold the beneficial interest in Eligible Receivables as a result of purchasing that beneficial interest from FirstMac Debt Securities in the manner described in section 7.2 (“*Purchase of Housing Loans*”). Pursuant to the terms of the Master Trust and Security Trust Deed, each Relevant Trust, including in respect of each Relevant Series, as the case may be, may dispose of Eligible Receivables. This process is known as Redesignation. Where each Relevant Trust, including in respect of each Relevant Series, as the case may be, transfers Eligible Receivables to FirstMac, the beneficial interest in the Eligible Receivables is transferred from each Relevant Trust, including in respect of each

Relevant Series as the case may be, to FirstMac and the legal title remains with the relevant Nominee Company.

7.4 Housing Loans, including Self Certified Loans and Easy Doc Loans

Introduction

The loans which are acquired in respect of the FirstMac Mortgage Funding Trust in respect of Series 1-2007 will consist predominately of reduced documentation loan products known as “Self Certified Loans” and “Easy Doc Loans” together with a portfolio of Low Doc loans purchased from HSBC Bank in December 2006. The only exceptions to these products are a very small number of associated fully verified loans. The reduced documentation loan products are available to self employed borrowers as there is no requirement to verify a regular income stream.

Approval Procedures

FirstMac does not delegate approval authority to any third parties and similarly, HSBC Bank also retained full approval authority. With respect to the reduced documentation loan products, the approval process is different to other products offered by First Mortgage Company Pty Limited in that there is no requirement for verification of borrower income.

With respect to Self Certified Loans:

- the borrowers provide signed declarations of their income which is used to test serviceability for the loan and borrowers are not required to verify that their income that is disclosed during the approval process;
- under this declaration borrowers acknowledge that FirstMac is relying on the accuracy of the income disclosed and they declare that they can meet their loan obligations without undue hardship;
- an assets and liabilities statement is required to be provided for the loan and is reviewed as part of the underwriting process;
- all borrowers are either fully or partially self employed. In the case of joint borrowers where one borrower is not self employed or where any income is derived from sources other than self employment, their income is fully verified in the usual manner by way of payslips, tax returns, letter from the relevant employer and other similar means;
- credit checks are conducted with appropriate credit reporting agencies with respect to all borrowers to confirm that all borrowers have a sufficiently clear credit history; and

- borrowers must be self employed for a minimum period of two years. ABN registration for two years must be evidenced as confirmation of two years self employment.

With respect to Easy Doc Loans:

- the borrowers provide signed declarations as to their ability to meet their loan obligations;
- under this declaration borrowers acknowledge that FirstMac is relying on their declaration of their ability to meet their loan obligations together with all other personal and financial commitments without undue hardship;
- an assets and liabilities statement is not required;
- all borrowers are either fully or partially self employed. In the case of joint borrowers where one borrower is not self employed or where any income is derived from sources other than self employment, their income is fully verified in the usual manner by way of payslips, tax returns, letter from the relevant employer and other similar means;
- credit checks are conducted with appropriate credit reporting agencies with respect to all borrowers to confirm that all borrowers have a sufficiently clear credit history; and
- in respect of Easy Doc Loans there is no requirement for a minimum period of self employment. Current ABN registration is required to evidence self employment. HSBC Bank originated Low Doc loan borrowers must be self employed for two years and an ABN registration is obtained to evidence this.

Reduced documentation loans are otherwise credit assessed in the same manner as standard fully verified income loans.

Loan Characteristics and Servicing

The Self Certified Loans and Easy Doc Loans are loans secured by first registered mortgages over residential real estate. Scheduled payments are made predominately by direct debit from the accounts of the respective Debtors, and are managed intraday by First Mortgage Company Pty Limited and then transferred to the Collections Account.

On each Payment Date, the Servicer will, where possible, reset the interest rate on the Housing Loans so that the weighted average interest rate on all Housing Loans equals or exceeds the Threshold Rate.

The Housing Loans are prepayable in full or in part at any time. Fees include various administration fees, default interest and Borrower Exit Fees for the prepayment of loans within the first 6 years. These are also Assets of the Trust.

Loan Amounts and loan to value ratio

With respect to Self Certified Loans, the maximum initial loan amount is \$1,000,000 and the maximum LVR on origination is 80%. With respect to Easy Doc Loans, the maximum initial loan amount is \$1,000,000 and the maximum LVR on origination is 70%. With respect to low doc loans originated by HSBC Bank, the maximum LVR is 80% and the maximum approved loan amount was \$2,182,000.

Insurance

All properties must have full fire and general insurance with the lender's interest noted on the policy as an assignee or mortgagee.

All Self Certified Loans, Easy Doc Loans and low doc loans originated by HSBC Bank are also covered by lender's mortgage insurance as described in section 7.5 ("*Insurance Policies and Mortgage Insurers*") below.

Regulation

Self Certified Loans may either be subject to regulation by the Consumer Credit Code or may be offered to borrowers in circumstances where the Consumer Credit Code does not apply.

Documentation

All Self Certified Loans, Easy Doc Loans and low doc loans originated by HSBC Bank have been originated using standard loan documentation prepared for use in each relevant jurisdiction.

Valuations

All properties in respect of Self Certified Loans and Easy Doc Loans in the underlying collateral pool have a full valuation undertaken during the approval process.

In respect of and low doc loans originated by HSBC Bank, all loans have a full valuation with the exception of loans with an LVR less than 60% that were originated after August 2005. There are 46 loans in the collateral pool, representing approximately 2% by value which have not had a full valuation. These loans were the subject of an electronic valuation which, although not supported by a physical property inspection, will have legally identified the property and arrived at an opinion of value, signed off by a valuer and supported by comparable sales.

7.5 Insurance Policies and Mortgage Insurers

General

Each Housing Loan is the subject of an Insurance Policy issued by Genworth Financial Mortgage Insurance Pty Ltd (“**Genworth**”) or PMI Mortgage Insurance Ltd (“**PMI**”) which insures the payment of the principal outstanding under that Housing Loan (plus interest and other amounts).

The Mortgage Insurers

PMI Mortgage Insurance Limited (“PMI”)

PMI Mortgage Insurance Ltd (ABN 70 000 511 071) is an Australian public company registered in New South Wales and limited by shares. PMI Mortgage Insurance Ltd’s principal activity is lenders’ mortgage insurance which it has done in Australia since 1965 and in New Zealand since 1988.

PMI Mortgage Insurance Ltd’s parent is PMI Mortgage Insurance Australia (Holdings) Pty Ltd, a subsidiary of PMI Mortgage Insurance Co., which is a subsidiary of The PMI Group, Inc. PMI Mortgage Insurance Co. is a leading monoline mortgage insurer in the United States.

As of December 31, 2005, the audited financial statements of PMI Mortgage Insurance Ltd had total assets of A\$1,079 million and shareholder’s equity of A\$604 million. PMI Mortgage Insurance Ltd currently has an insurer financial strength rating by S&P and Fitch Ratings of AA and by Moody’s of Aa2. There is no assurance that the ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by such rating agencies, if, in their judgment, circumstances so warrant. The ratings reflect each respective rating agency’s current assessments of the creditworthiness of PMI Mortgage Insurance Ltd and its ability to pay claims on its policies of insurance. Each insurer financial strength rating of PMI Mortgage Insurance Ltd should be evaluated independently. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any Class of Notes, and such ratings are subject to revision, qualification or withdrawal at any time by the applicable rating agency. Any downward revision, qualification or withdrawal of any of the above ratings may have a material adverse effect on the market prices of the offered notes. PMI Mortgage Insurance Ltd does not guarantee the market prices of the offered notes nor does it guarantee that its insurer financial strength ratings will not be revised, qualified or withdrawn.

The business address of PMI Mortgage Insurance Ltd is Level 21, 50 Bridge Street, Sydney, New South Wales, Australia, 2000.

Loans insured by Housing Loans Insurance Corporation

Housing Loans Insurance Corporation (“**HLIC**” or the “**Statutory Authority**”) was a Commonwealth Government statutory authority established under the Housing Loans Insurance Act 1965 (Cth). With effect from 15 December 1997 the Commonwealth Government:

- (a) transferred to the Commonwealth Government (pursuant to the Housing Loans Insurance Corporation (Transfer of Assets and Abolition) Act 1996) (Cth) the liabilities of the Statutory Authority in relation to contracts of insurance to which the Statutory Authority was a party immediately before that day;
- (b) established a new corporation, Housing Loans Insurance Corporation Limited (ACN 071 466 334), which has since changed its name to GE Mortgage Insurance Pty Limited (“**GEMI**”), to manage these contracts of insurance on behalf of the Commonwealth of Australia; and
- (c) sold that new corporation (including the assets and infrastructure of the Statutory Authority) to GE Capital Australia, which is a wholly owned subsidiary of General Electric Company (“**GE**”).

References in this Information Memorandum to “**GEMI**” may include loans insured by HLIC which are, with respect to contracts of insurance to which the Statutory Authority was a party on or before 12 December 1997 and which are now vested in the Commonwealth of Australia.

Loans insured by the General Electric Group

GE Capital Mortgage Insurance Corporation (Australia) Pty Limited (“**GEMICO**”) commenced operations in March 1998 and was established by GE as a sister company to GEMI. It is also a wholly owned subsidiary of GE Capital Australia.

Together GEMI and GEMICO insured all loans between 15 December 1997 and 31 March 2004.

On 31 March 2004 the lenders mortgage insurance (“**LMI**”) businesses (including all of the LMI policies written during such period) of GEMI and GEMICO were transferred to a new entity - GE Mortgage Insurance Company Pty Limited (“**Genworth**”).

The transfer of the LMI policies was made pursuant to two separate schemes under the Insurance Act 1973 (Cth) (“**Insurance Act**”) approved by both APRA and the Federal Court of Australia. One scheme effected the transfer of LMI policies issued by GEMI and the other scheme effected the transfer of LMI policies issued by GEMICO.

Upon the completion of the transfer, the then current claims paying ratings for Genworth is (“A+” by S&P and Fitch and “Aa2” by Moody’s) were withdrawn and identical ratings were issued by all three local ratings agencies in respect of Genworth.

As at 31 December 2005, Genworth had total assets of A\$2,191,669,000 and shareholder’s equity of A\$1,304,104,000.

Loans insured by the Genworth Financial Group

On or about 24 May 2004, Genworth became a wholly owned subsidiary of a newly incorporated and U.S. domiciled entity, Genworth Financial, Inc. (NYSE: GNW). Genworth Financial, Inc. is a leading insurance holding company, serving the lifestyle protection, retirement income, investment and mortgage insurance needs of more than 15 million customers, and has operations in 22 countries, including the U.S., Canada, Australia, the U.K. and more than a dozen other European countries. Genworth Financial has its principal lenders mortgage insurance operations in the United States, United Kingdom, Canada, New Zealand and Australia. Genworth Financial, Inc.’s rated mortgage insurance companies have financial strength ratings of “AA” (Very Strong) from S&P, “Aa2” (Excellent) from Moody’s and “A+” (Very Strong) from Fitch.

On 25 November 2005 Genworth changed its name to Genworth Financial Mortgage Insurance Pty Limited (ABN 60 106 974 305). The principal place of business of Genworth Financial Mortgage Insurance Pty Limited is Level 23, 259 George Street, Sydney, New South Wales, Australia.

The Genworth Policy

The policy covers losses to a FirstSub in respect of:

- (a) failure by a Debtor to make payments in a timely fashion (timely payment cover); and
- (b) losses on disposal of a property subject to a Housing Loan.

The policy insures a FirstSub’s loss on disposal of a property (or foreclosure). The loss is calculated as the aggregate of the principal outstanding on the loan together with any interest (whether capitalised or not), fees or charges and other amounts outstanding less any deductions as specified in the GEMI/GEMICO Master Policy less the enforcement proceeds from the sale of the underlying real property.

Claims for loss may be reduced or refused to the extent that loss is caused or contributed by certain acts or omissions of a FirstSub (e.g. delay in lodgement of a claim or the failure of a FirstSub to comply with certain reporting obligations) or where there has been a failure to comply with a condition, provision or requirement of the policy which is prejudicial to the interests of GEMI/GEMICO.

The policy may be cancelled in respect of a Housing Loan if at any time:

- (a) a FirstSub, without the prior approval of GEMI/GEMICO, makes an additional advance ranking ahead of payment of the loan; alters the terms of the loan contract, mortgage guarantee or any collateral security; allows its rights to be reduced against the Debtor, mortgagor, mortgage guarantor or any provider or collateral security; consents to a further advance by a prior mortgagee; or approves of any transfer of the relevant mortgaged property without the full discharge of that loan;
- (b) there is a failure to pay premiums in respect of that Housing Loan within 28 days of the due date;
- (c) it is determined that a FirstSub has made a misrepresentation, misstatement or a breach of the duty of disclosure in a proposal;
- (d) there ceases to be a mortgage manager, approved by GEMI/GEMICO, for that loan;
- (e) it is determined that there is no condition in the loan contract that the property be kept insured or where if there is a failure to insure that a FirstSub may insure the property under an approved general insurance policy;
- (f) it is determined that a FirstSub did not take action as required by the insured to oppose any application by a prior mortgagee for foreclosure where the Housing Loan is not a first mortgage;
- (g) there is a failure to register the Housing Loan with the land titles office and stamp the Housing Loan, any mortgage guarantee or collateral security with the office of state revenue in the relevant state or territory of the property;
- (i) a FirstSub has made an additional advance and has not notified the insured or where there is an approved additional advance, where there has not been payment of an additional premium as required by GEMI/GEMICO; or
- (j) it is determined that a FirstSub fraudulently breached its duty of disclosure.

No claim can be made in respect of a loan until the:

- (a) date of the sale of the relevant property by a FirstSub following default;
- (b) date of absolute ownership of the relevant property upon foreclosure by a FirstSub following default; or
- (c) date on which GEMI/GEMICO agrees or determines to pay a claim.

GEMI/GEMICO has no liability under the policy in respect of any claim for loss arising or occasioned by:

- (a) war or warlike activities;

- (b) the use or existence of nuclear weapons or materials;
- (c) the existence or escape of environmentally hazardous material;
- (d) the unenforceability or void nature of any insured loan contract, mortgage guarantee or collateral security; or
- (e) where the credit code applies, the failure of the insured loan contract, mortgage guarantee or collateral security to comply with the requirements of the credit code.

Timely payment cover is available to a FirstSub in respect of a proportion of the Housing Loans to cover failure by a Debtor to pay all or part of a periodic mortgage payment. The maximum amounts of claims payable in respect of an individual Housing Loan is limited to the total scheduled payments payable on that Housing Loan (calculated at the non-default rate) for a period of 12 months.

Claims may be made:

- (a) under the primary mortgage cover, within 28 days upon realisation of the loss (sale, foreclosure or compulsory acquisition) unless in its absolute discretion GEMI/GEMICO otherwise agrees; and
- (b) under the timely payment cover, within 14 days or more after the Debtor has failed to pay.

Claims are formally payable (as far as practicable) within 14 days after a proper claim is made, although FirstMac understands that payments should be received within 7 days after a proper claim is made.

In respect of the low doc loans originated by HSBC Bank, FirstMac has put in place a pool mortgage insurance policy to cover any loan not covered by a primary mortgage insurance policy with either Genworth or PMI. The pool mortgage insurance policy is with Genworth and mirrors the terms and conditions of the existing FirstMac Master LMI Policy. Included with this policy is provision for 24 months timely payment cover on all loans.

The PMI Policy

The policy covers losses to a FirstSub in respect of:

- (a) failure by a Debtor to make payments of interest under a Housing Loan in a timely fashion (cash flow cover); and
- (b) losses on disposal of a property subject to a mortgage loan.

The policy insures a FirstSub's loss on disposal of a property to the extent of principal, interest at the non-default rate, prepayment fees (subject to certain limitations), outgoings properly paid by or on behalf of a FirstSub in respect of

the property, enforcement costs and the enforcement proceeds from the sale of the underlying real property.

Claims for loss on disposal may be reduced to the extent that the value of a FirstSub's rights in respect of the relevant Housing Loan have been reduced, postponed or impaired by certain acts, omissions or negligence of a FirstSub or the Manager (e.g. waivers of a FirstSub's rights against a Debtor or breaches of the terms of the policy).

The policy may be terminated in respect of a Housing Loan if at any time:

- (a) the right to recover the mortgage loan ceases to exist or is deferred otherwise than by the exercise by a FirstSub of its powers or any variation of the Housing Loan made under applicable legislation which cannot be excluded;
- (b) the Housing Loan is not or ceases to be a first ranking mortgage;
- (c) the Housing Loan or any collateral security is not or ceases to be valid and enforceable according to its terms, or the mortgage debt ceases to be recoverable, except because of fraud of the relevant Debtor or other security provider, of which neither a FirstSub nor the Manager has actual or constructive knowledge; or
- (d) there is a breach of the warranties made by a FirstSub as to the accuracy or completeness of material provided by a FirstSub or the Manager to PMI in relation to the insurance of that Housing Loan.

PMI may only exercise its right to terminate for the above reasons if in its reasonable opinion, PMI's liability in respect of the mortgage cannot be appropriately reduced by a reduction as referred to above.

PMI has no liability under the policy in respect of any claim for loss:

- (a) arising out of or occasioned by war, riot and other force majeure events;
- (b) arising directly out of the fraud of any person (other than the Debtor or a surety);
- (c) which is made fraudulently; or
- (d) which is made at a time when the relevant mortgage is not managed by an approved mortgage manager.

Cash flow cover is available to a FirstSub to cover failure by the Debtor to pay all or any part of interest payable under a mortgage. The maximum amount of claims payable in respect of an individual Housing Loan is limited to a maximum aggregate amount of 12 scheduled monthly instalments (calculated at the non-default rate).

Claims may be made:

- (a) under the primary mortgage cover, within one month (or such longer period as PMI may approve) from the earlier of settlement of the sale and notification by PMI to submit a claim for loss; and
- (b) under the cash flow cover, 14 days after the Debtor has failed to pay (subject to a FirstSub having given not less than 2 days notice to the Debtor to pay the outstanding interest).

Claims are payable (so far as is practicable):

- (a) under the primary mortgage cover, within one month after a proper claim is made; and
- (b) under the cash flow cover, within 7 days after a proper claim is made.

In respect of the low doc loans originated by HSBC Bank, FirstMac has put in place a pool mortgage insurance policy to cover any loan not covered by a primary mortgage insurance policy with either Genworth or PMI. The pool mortgage insurance policy is with Genworth and mirrors the terms and conditions of the existing FirstMac Master LMI Policy. Included with this policy is provision for 24 months timely payment cover on all loans.

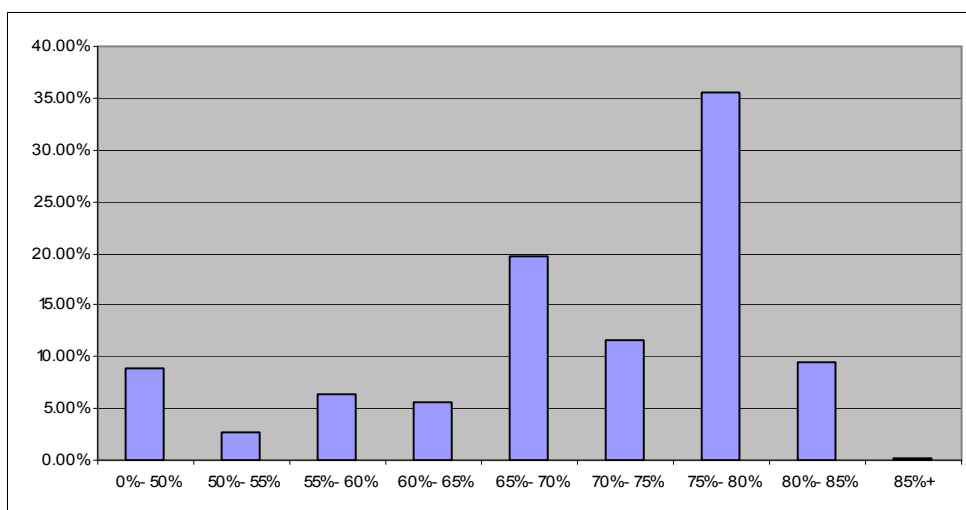
7.6 Indicative Pool Statistics (Based on pool as at 31 January 2007)

**FirstMac Mortgage Funding Trust Series 2007-1
Indicative Mortgage Pool Summary**

Total Pool Size	706,387,280
Total number of Loans	3,463
Total Number of Consolidated Loans	2,677
Maximum Current Outstanding Balance	2,000,000
Weighted Average Approval LVR	70.03%
Weighted average Current LVR	66.24%
Maximum Current LVR	81.35%
Weighted Average Seasoning (months)	9
Maximum Remaining Term (Years)	30
Weighted Average Remaining Term (Years)	29
Weighted Average Interest Rate(%)	7.89
Percentage of No Doc Loans	44%

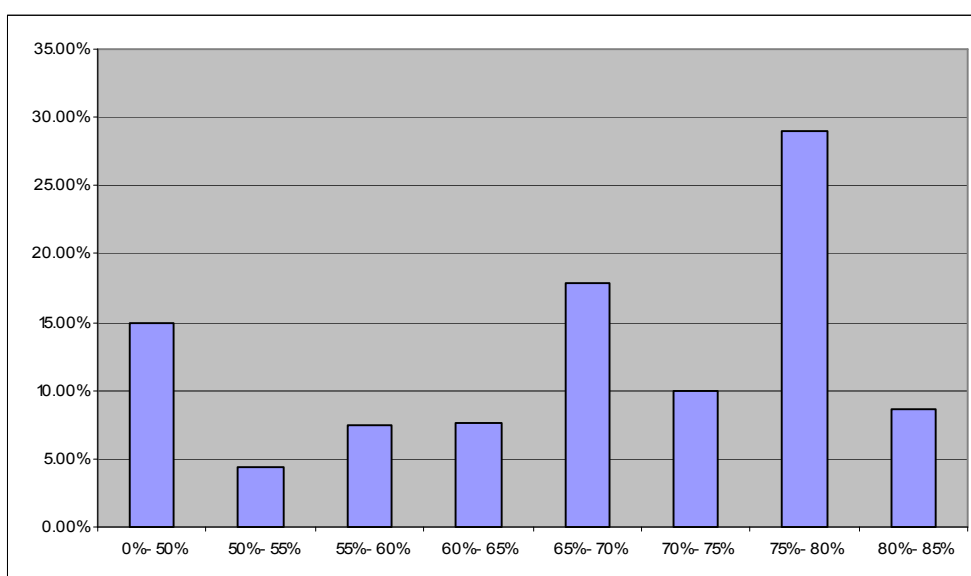
Mortgage Pool by Approval LVR for Consolidated Loans

LVR Range	No. Loans	% of Total	Value of Loans	% of Total
0% - 50%	402	15.02%	63,241,899	8.95%
50% - 55%	90	3.36%	18,598,778	2.63%
55% - 60%	163	6.09%	44,802,599	6.34%
60% - 65%	141	5.27%	39,996,411	5.66%
65% - 70%	525	19.61%	138,875,182	19.66%
70% - 75%	308	11.51%	82,374,144	11.66%
75% - 80%	847	31.64%	251,197,231	35.56%
80% - 85%	199	7.43%	66,532,343	9.42%
85% - 95%	2	0.07%	768,693	0.11%
Total	2677.00	100.00%	706,387,280	100.00%



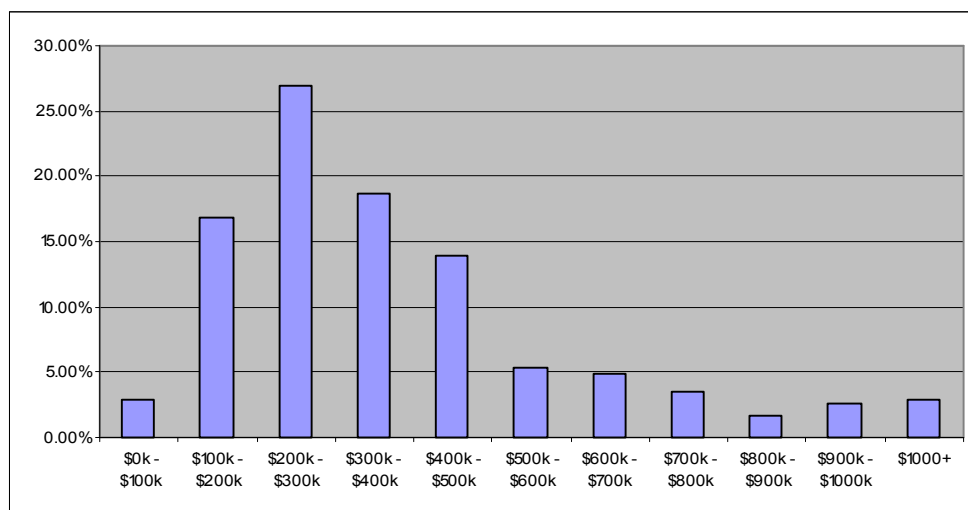
Mortgage Pool by Current LVR for Consolidated Loans

LVR Range	No. Loans	% of Total	Value of Loans	% of Total	
0%	50%	688	25.70%	105,996,116	15.01%
50%	55%	122	4.56%	31,182,806	4.41%
55%	60%	173	6.46%	52,945,074	7.50%
60%	65%	182	6.80%	54,019,067	7.65%
65%	70%	441	16.47%	126,167,498	17.86%
70%	75%	227	8.48%	70,506,443	9.98%
75%	80%	664	24.80%	204,415,349	28.94%
80%	85%	180	6.72%	61,154,928	8.66%
Total	2677.00	100.00%	706,387,280	100.00%	



Mortgage Pool by Loan Size for Consolidated Loans

Current Balance Range	No. Loans	% of Total	Value of Loans	% of Total
\$0 - \$100,000	658	24.57%	20,842,111	2.95%
\$100,000 - \$200,000	687	25.68%	118,654,097	16.80%
\$200,000 - \$300,000	675	25.21%	189,824,834	26.87%
\$300,000 - \$400,000	320	11.96%	131,557,853	18.62%
\$400,000 - \$500,000	172	6.42%	98,032,125	13.88%
\$500,000 - \$600,000	54	2.00%	37,750,476	5.34%
\$600,000 - \$700,000	43	1.60%	34,512,226	4.89%
\$700,000 - \$800,000	29	1.09%	24,811,249	3.51%
\$800,000 - \$900,000	11	0.41%	11,915,414	1.69%
\$900,000 - \$1,000,000	15	0.57%	18,293,359	2.59%
\$1,000,000	13	0.48%	20,193,535	2.86%
Total	2677	100.00%	706,387,280	100.00%



Mortgage Pool by Loan Purpose

Purpose	No. Loans	% of Total	Value of Loans	% of Total
Refinance	1601	46.23%	295,181,535	41.79%
Construction	0	0.00%	0	0.00%
Purchase	1127	32.54%	273,060,524	38.66%
Other	510	14.73%	61,961,171	8.77%
Costs	8	0.23%	186,217	0.03%
Investment	217	6.27%	75,997,833	10.76%
Total	3463	100.00%	706,387,280	100.00%

Mortgage Pool by Occupancy type

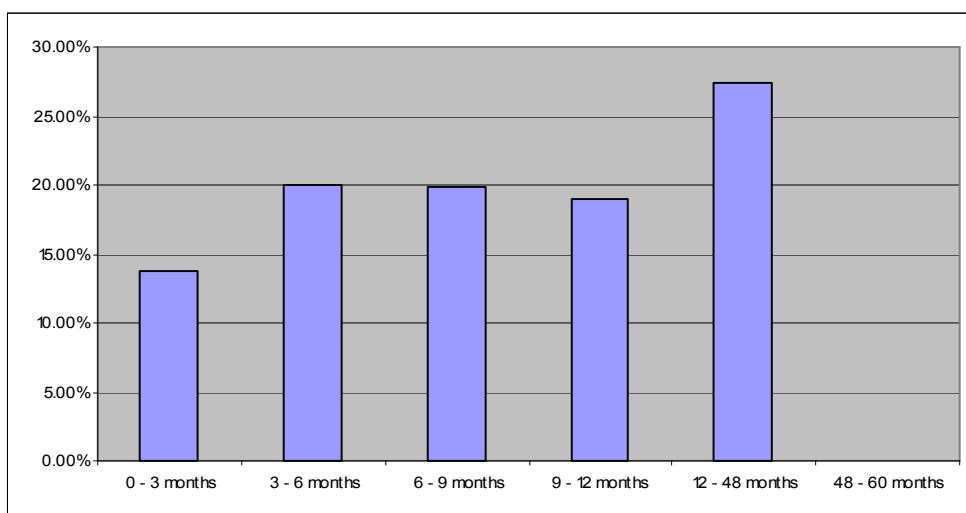
Occupancy	No. Loans	% of Total	Value of Loans	% of Total
Owner Occupied	1184	34.19%	219,047,696	31.01%
Investment	2279	65.81%	487,339,585	68.99%
Total	3463	100.00%	706,387,280	100.00%

Mortgage Pool by Repayment Method

Repayment	No. Loans	% of Total	Value of Loans	% of Total
Principal and Interest	796	22.99%	158,676,648	22.46%
Interest Only	2667	77.01%	547,710,632	77.54%
Total	3463	100.00%	706,387,280	100.00%

Mortgage Pool by Seasoning

Seasoning	No. Loans	% of Total	Value of Loans	% of Total
0 days to 3 months	521	15.04%	97,286,170	13.77%
3 months to 6 months	757	21.86%	141,610,653	20.05%
6 months to 9 months	696	20.10%	139,966,866	19.81%
>9 months to 12 months	676	19.52%	133,902,975	18.96%
>12 months to 48 months	812	23.45%	193,240,618	27.36%
>48 months to 60 months	1	0.03%	380,000	0.05%
Total	3463	100.00%	706,387,280	100.00%



Mortgage Pool by Remaining Loan Term

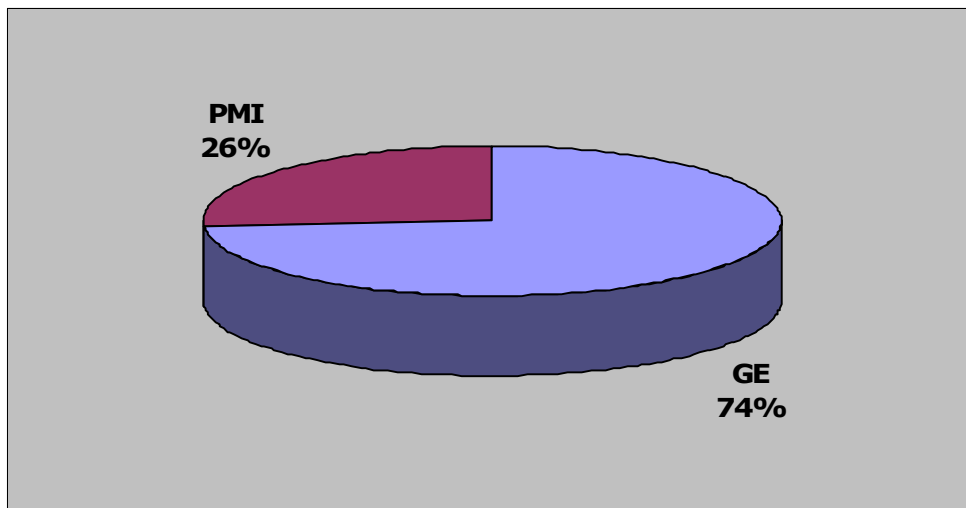
Loan Term	No. Loans	% of Total	Value of Loans	% of Total
0 to 5 years	1	0.03%	50,236	0.01%
5 years to 10 years	2	0.06%	300,964	0.04%
10 years to 15 years	8	0.23%	1,013,457	0.14%
15 years to 20 years	0	0.00%	1,442,747	0.20%
20 years to 25 years	36	1.04%	6,427,733	0.91%
25 years to 30 years	3416	98.64%	697,152,145	98.69%
30 years +				
Total	3463	100.00%	706,387,280	100.00%

Mortgage Pool by Interest Only Period

Term	No. Loans	% of Total	Value of Loans	% of Total
Zero	796	22.99%	158,676,648	22.46%
0 to 5 years	738	21.31%	196,217,739	27.78%
5 years to 10 years	1722	49.73%	334,170,416	47.31%
10 years to 15 years	1	0.03%	30,000	0.00%
15 years to 20 years	0	0.00%	0	0.00%
30 years +	206	5.95%	17,292,477	2.45%
Total	3463	100.00%	706,387,280	100.00%

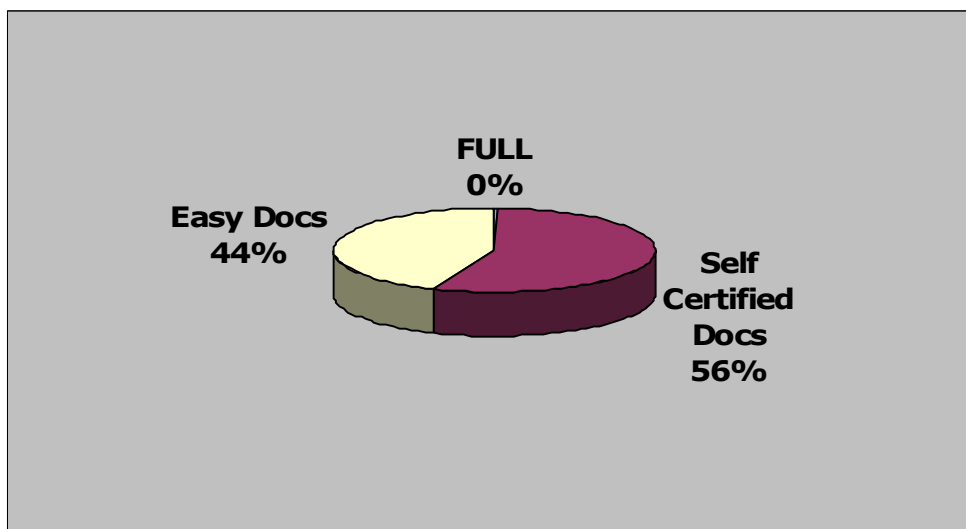
Mortgage Pool by Mortgage Insurer

Provider	No. Loans	% of Total	Value of Loans	% of Total
GE	2537	73.26%	522,571,583	73.98%
PMI	926	26.74%	183,815,698	26.02%
Total	3463	100.00%	706,387,280	100.00%



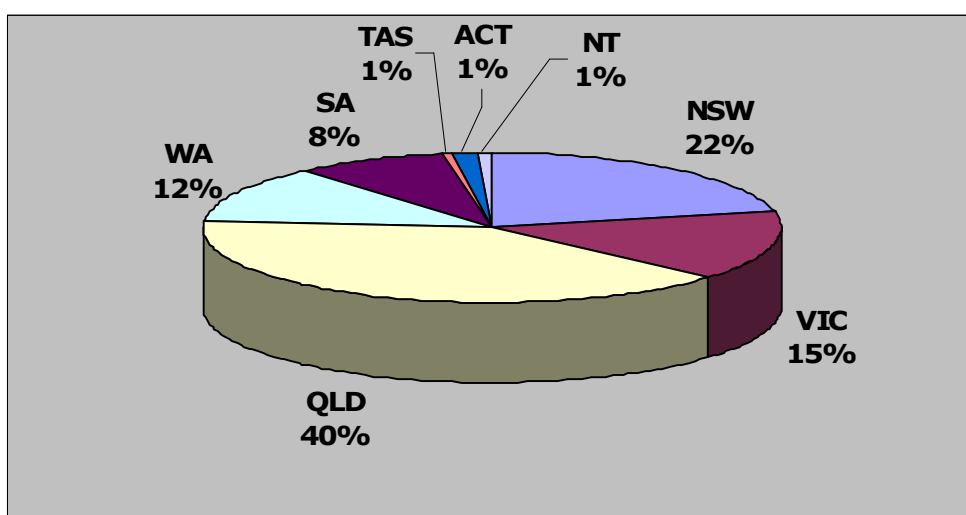
Mortgage Pool by Documentation Type

Documentation Type	No. Loans	% of Total	Value of Loans	% of Total
FULL	7	0.20%	1,033,341	0.15%
Self Certified Docs	1783	51.49%	395,603,209	56.00%
Easy Docs	1673	48.31%	309,750,731	43.85%
Total	3463	100.00%	706,387,280	100.00%



Mortgage Pool by Geographic Distribution

State	No. Loans	% of Total	Value of Loans	% of Total
NSW	662	19.12%	152,225,779	21.55%
VIC	566	16.34%	106,889,449	15.13%
QLD	1360	39.27%	281,114,763	39.80%
WA	394	11.38%	88,171,190	12.48%
SA	382	11.03%	58,544,062	8.29%
TAS	24	0.69%	4,423,724	0.63%
ACT	49	1.41%	9,127,047	1.29%
NT	26	0.75%	5,891,266	0.83%
Total	3463	100.00%	706,387,280	100.00%



Mortgage Pool by Interest Rate

Rate	No. Loans	% of Total	Value of Loans	% of Total
Fixed	38	1.10%	9,293,252	1.32%
Variable	3425	98.90%	697,094,028	98.68%
Total	3463	100.00%	706,387,280	100.00%

Mortgage Pool by Security Type

Rate	No. Loans	% of Total	Value of Loans	% of Total
House	2742	79.18%	521,150,391	73.78%
Unit	288	8.32%	67,777,117	9.59%
Land	216	6.24%	41,461,939	5.87%
Other	217	6.27%	75,997,833	10.76%
Total	3463	100.00%	706,387,280	100.00%

Mortgage Pool by Geographic Distribution

State	No. Loans	% of Total	Value of Loans	% of Total
Metro	2,062	59.54%	430,884,773.45	61.00%
Non-Metro	1,338	38.64%	258,598,472.73	36.61%
Inner City	63	1.82%	16,904,034.17	2.39%
Total	3463	100.00%	706,387,280	100.00%

Mortgage Pool by Originator

State	No. Loans	% of Total	Value of Loans	% of Total
FirstMac	3,246	93.73%	630,389,447.31	89.24%
HSBC	217	6.27%	75,997,833.04	10.76%
Total	3463	100.00%	706,387,280	100.00%

8 Cashflow Allocation Methodology

8.1 General

Clause 6 (“*Cashflow Allocation Methodology*”) of the Supplementary Terms Notice describes the way in which the Manager will calculate and FirstMac will pay amounts on each Payment Date to, amongst others, the Holders of the Notes.

The Manager will calculate and FirstMac will pay interest and principal in respect of the Notes in respect of each Payment Period.

8.2 Collections

Collections in respect of principal and interest will be received by the Servicer during each Collection Period. The Servicer will deposit all Collections into the Collections Account within 2 Business Days of receipt.

Collections are derived from receipts from the Assets of the Series and other Authorised Investments of the Series and any other amount payable to FirstMac in respect of the Series under the Transaction Documents. Collections may also be derived from other sources including, but not limited to, proceeds from enforcement of the Assets of the Series and any Insurance Policy, including Timely Payment Cover (collectively, the “**Collections**”).

The Manager will allocate all Collections received during a Collection Period between interest and principal.

8.3 Collection Period Distributions

Prior to an Event of Default and enforcement of the Charge in accordance with the Deed of Charge and the Master Trust and Security Trust Deed, FirstMac will, on any day other than a Payment Date, apply Collections received during the relevant Collection Period towards payment of any of the following amounts when such funds are available from time to time for the relevant purpose:

- (a) subject to the Supplementary Terms Notice, to fund Further Advances (such amounts in total over the life of the Series are not to exceed 10% of the aggregate Initial Invested Amount of all Class A Notes and as a result of the Further Advance the weighted average loan to value ratio of the Housing Loans in the Series must not exceed 80% or the original weighted average loan to value ratio as of the Closing Date whichever is the lower) and Redraws on Housing Loans;
- (b) to the Mortgage Insurers of any amounts received from Debtors during the Collection Period in relation to Timely Payment Cover previously paid by those Mortgage Insurers (including amounts in the nature of principal, interest and penalty fees or other charges); and

- (c) to any Counterparty of any break costs or any early termination amount in relation to any fixed rate Receivables for which FirstMac and the Counterparty had entered into transactions under a Derivative Contract (to the extent there are sufficient break costs, early termination amounts and Borrower Exit Fees (without double counting) recovered from Debtors to pay such break costs and early termination amounts),

where and on the date that such amounts become due for payment provided that:

- (i) with respect to any amounts payable by FirstMac under paragraphs (a) or (b) (to the extent that the Timely Payment Cover relates to the overdue principal component of the payment) above, there are sufficient Principal Collections out of which such payments can be made at the relevant time;
- (ii) FirstMac:
 - (A) holds in reserve an amount of Interest Collections at least equal to the amount required to repay any outstanding Principal Draw on the immediately following Payment Date; and
 - (B) must not make any payment under this section from an amount that would constitute part of the Total Interest Collections for the relevant Collection Period unless FirstMac is satisfied that there will be sufficient Total Interest Collections on the immediately following Payment Date to make the Required Payments under section 8.11 (“*Distribution of Total Interest Collections*”); and
- (iii) with respect to any amounts payable by FirstMac under paragraphs (b) (to the extent that the Timely Payment Cover relates to the overdue interest component of the payment) or (c), there are sufficient Interest Collections out of which such payment can be made at the relevant time.

The aggregate of such amounts for a Collection Period are the “**Collection Period Distributions**”.

8.4 Manager’s calculations

On each Determination Date, the Manager will calculate (among other things):

- (a) the Interest Collections;
- (b) the Principal Collections;
- (c) the aggregate of the Borrower Exit Fees (if any) received by FirstMac during the immediately preceding Collection Period;
- (d) the aggregate of the fixed rate break costs received from Debtors during the immediately preceding Collection Period;
- (e) the Principal Draw (if any);

- (f) the Class B Carryover Charge-Off (if any);
- (g) the Class B Charge-Off (if any);
- (h) the Class AB Carryover Charge-Off (if any);
- (i) the Class AB Charge-Off (if any);
- (j) the Class A Carryover Charge-Off (if any);
- (k) the Class A Charge-Off (if any);
- (l) the FastPay Carryover Charge-Off (if any);
- (m) the FastPay Charge-Off (if any);
- (n) the Liquid Authorised Investments to be realised (if any);
- (o) the Threshold Amount, and notify the Servicer of such amount when calculated;
- (p) the Accrual Amount; and
- (q) whether the Principal Repayment Fund will be sufficient to meet in full the aggregate of any Further Advances or Redraws provided by a FirstSub during the preceding Collection Period.

8.5 Calculation of Interest Collections

On each Determination Date, the Interest Collections in respect of the immediately preceding Collection Period will be calculated by the Manager (without double counting) as follows:

- (a) the Adjusted Collections received by or on behalf of FirstMac during that Collection Period; minus
- (b) the Principal Collections for that Collection Period; plus
- (c) any Other Income received in respect of that Collection Period; plus
- (d) any net payments to be received by FirstMac under the Derivatives Contracts on the next Payment Date; plus
- (e) all other amounts received (including any Borrower Exit Fees) by or on behalf of FirstMac in respect of the Assets of the Series and which are determined by FirstMac to be in the nature of income during that Collection Period.

8.6 Calculation of Principal Collections

On each Determination Date, the Principal Collections for a Collection Period are equal to:

- (a) the aggregate of:
 - (i) the Collections for the immediately preceding Collection Period; and
 - (ii) the proceeds of issue of any FastPay Notes on the immediately following Payment Date; less
- (b) the Finance Charge Collections received by FirstMac during that Collection Period; less
- (c) the Accrual Amount for that Collection Period (but calculated for this section as if the amount in paragraph (c) of the definition of Accrual Amount were zero); less
- (d) the Shortfall Adjustment calculated on the immediately preceding Determination Date; less
- (e) the aggregate of any amounts paid in accordance with paragraphs (a) and (b) (to the extent that the Timely Payment Cover relates to the overdue principal component of the payment) of section 8.3 (“*Collection Period Distributions*”) during that Calculation Period.

If the amount calculated above is a positive number then the amount so calculated will be the Principal Collections for that Collection Period. If the amount calculated above is negative, then the Principal Collections are equal to zero.

8.7 Liquid Authorised Investments

- (a) FirstMac must ensure that it holds and maintains for the Series the Required Authorised Investment Liquidity Amount of Liquid Authorised Investments at all times. Where the Standby Trustee replaces FirstMac in accordance with the Master Trust Deed, the Standby Trustee is under no obligation to maintain the Required Authorised Investment Liquidity Amount other than with funds available to it from the Series.

On the Closing Date, FirstMac may, at the direction of the Manager, utilise a portion of the Required Authorised Investment Liquidity Amount to fund the purchase price of Receivables insofar as the funding relates to accrued interest on the Receivables. Any such reduction in the Required Authorised Investment Liquidity Amount will be reimbursed out of Total Interest Collections in accordance with section 8.11(m) (“*Distribution of Total Interest Collections*”).

If the Manager determines, on any Determination Date, that the Interest Collections for the relevant Payment Period are not sufficient to meet the Required Payments for that Payment Period then the Manager will advise FirstMac of that insufficiency and must direct FirstMac to realise an amount of the Liquid Authorised Investments equal to the shortfall and apply that amount towards the Total Interest Collections for that Payment Period.

- (b) If the Manager determines, on any Determination Date, that the amount of Liquid Authorised Investments exceeds the Required Authorised Investment Liquidity Amount on that Determination Date (taking into account all payments to be made on the immediately following Payment Date), then the Manager must direct FirstMac to realise an amount of the Liquid Authorised Investments in an amount equal to that excess and allocate that amount to the Principal Repayment Fund for distribution in accordance with section 8.16 (*"Distribution of Principal Repayment Fund"*).
- (c) On the Final Maturity Date, FirstMac must realise the remaining Liquid Authorised Investments and at the direction of the Manager allocate such amount to the Principal Repayment Fund for distribution in accordance with section 8.16 (*"Distribution of Principal Repayment Fund"*).

8.8 Liquidity Shortfall

On each Determination Date the Manager must calculate the Liquidity Shortfall, being the amount by which the Required Payments on the following Payment Date exceed the aggregate of:

- (a) the Interest Collections for the preceding Collection Period;
- (b) any Liquid Authorised Investments realised in accordance with section 8.7(a) (*"Liquid Authorised Investments"*) on that Determination Date; and
- (c) the Accrual Amount for the period commencing on (but excluding) the last day of the preceding Collection Period to but excluding the following Payment Date,

(**"Liquidity Shortfall"**).

8.9 Principal Draw

On each Determination Date, the Manager must calculate the Principal Draw, being an amount equal to the lesser of:

- (a) the aggregate of:
 - (i) the Accrual Amount for the period commencing on (but excluding) the last day of the preceding Collection Period, to but excluding the following Payment Date; and

- (ii) the Liquidity Shortfall calculated on that Determination Date; and
- (b) the Principal Collections as calculated on that Determination Date,
 (“Principal Draw”).

FirstMac will distribute any Principal Draw in accordance with section 8.11 (“*Distribution of Total Interest Collections*”).

8.10 Calculation and application of Total Interest Collections

On each Determination Date, the Total Interest Collections are calculated as the aggregate of:

- (a) any Interest Collections calculated in accordance with section 8.5 (“*Calculation of Interest Collections*”) on that Determination Date;
- (b) any Liquid Authorised Investments realised in accordance with section 8.7(a) (“*Liquid Authorised Investments*”) on that Determination Date; and
- (c) any Principal Draw calculated in accordance with section 8.9 (“*Principal Draw*”) on that Determination Date.

The Total Interest Collections in respect of a Determination Date must be applied on the immediately following Payment Date to meet Required Payments in accordance with section 8.11 (“*Distribution of Total Interest Collections*”).

8.11 Distribution of Total Interest Collections

The Manager must direct FirstMac to pay (or direct payment of) the following items in the following order of priority out of Total Interest Collections (as calculated on the relevant Determination Date) on each Payment Date:

- (a) first, by way of distribution of the income of the Trust, to the Residual Income Unitholder, the sum of \$1;
- (b) second, in paying or providing for the payment of any Taxes owing by FirstMac in respect of the Series;
- (c) third, *pari passu*, in payment of any fees, and any expenses of, the Security Trustee, the Custodian, the Registrar, the Standby Trustee (whether or not acting as trustee of the Trust) and the Standby Servicer in respect of the Series (in the amounts (as to fees only) agreed in accordance with the Supplementary Terms Notice);
- (d) fourth, in payment of any:
 - (i) net payment due by FirstMac under the Derivative Contracts in respect of the Series on that Payment Date (including any break costs incurred during the relevant Collection Period (or unpaid from

previous Collection Periods) to the extent there are sufficient break costs and Borrower Exit Fees (without double counting) recovered from Debtors to pay such break costs); and

- (ii) interest and fees payable to the Support Facility Provider under the Support Facility;
- (e) fifth, in payment of any fees of, or any expenses due to be reimbursed to, FirstMac in respect of the Series (in the amounts (as to fees only) agreed in accordance with the Supplementary Terms Notice);
- (f) sixth, in payment of any fees of, or any expenses due to be reimbursed to, the Manager in respect of the Series (in the amounts (as to fees only) agreed in accordance with the Supplementary Terms Notice);
- (g) seventh, in payment of any fees of, or any enforcement expenses due to be reimbursed to, the Servicer in respect of the Series (in the amounts (as to fees only) agreed in accordance with the Supplementary Terms Notice);
- (h) eighth, in paying or providing for the payment or satisfaction of any Expenses of the Series to the extent not otherwise described in this section 8.11 (“*Distribution of Total Interest Collections*”) incurred during the Collection Period immediately preceding that Payment Date;
- (i) ninth, in payment pari passu and rateably of any Unpaid Interest on FastPay Notes and Class A Notes owing at that time;
- (j) tenth, in payment pari passu and rateably of any interest due and payable to the Holders of FastPay Notes and the Holders of Class A Notes on that Payment Date; and
- (k) eleventh, in payment pari passu and rateably of any Unpaid Interest on the Class AB Notes owing at that time;
- (l) twelfth, in payment of any interest due and payable to the Holders of Class AB Notes on that Payment Date;
- (m) thirteenth, an amount to be applied towards the purchase of Liquid Authorised Investments so that the principal amount of the Liquid Authorised Investments then held by FirstMac equals the Required Authorised Investment Liquidity Amount as at the immediately preceding Determination Date;
- (n) fourteenth, in payment pari passu and rateably of any Unpaid Interest on the Class B Notes owing at that time;
- (o) fifteenth, in payment of any interest due and payable to the Holders of Class B Notes on that Payment Date;
- (p) sixteenth, in reimbursement pari passu and rateably:

- (i) of any outstanding Principal Draw made on any preceding Payment Date and which remains outstanding;
- (ii) of the Accrual Amount for the Collection Period that is immediately preceding the previous Payment Date; and
- (iii) of any amounts that remain unreimbursed under this section 8.11(p) (“*Distribution of Total Interest Collections*”) in respect of previous Collection Periods;
- (q) seventeenth, pursuant to section 8.13 (“*Allocation of Liquidation Losses*”), in allocation to the Principal Repayment Fund of an amount equal to all FastPay Charge-Offs and the Class A Charge-Offs on the preceding Determination Date;
- (r) eighteenth, in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all FastPay Carryover Charge-Offs and Class A Carryover Charge-Offs that remain unreimbursed at that time;
- (s) nineteenth, pursuant to section 8.13 (“*Allocation of Liquidation Losses*”), in allocation to the Principal Repayment Fund of an amount equal to all Class AB Charge-Offs on the preceding Determination Date;
- (t) twentieth, in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all Class AB Carryover Charge-Offs that remain unreimbursed at that time;
- (u) twenty-first, pursuant to section 8.13 (“*Allocation of Liquidation Losses*”), in allocation to the Principal Repayment Fund of an amount equal to all Class B Charge-Offs on the preceding Determination Date;
- (v) twenty-second, in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all Class B Carryover Charge-Offs that remain unreimbursed at that time;
- (w) twenty-third, the Tax Shortfall (if any) for that Payment Period;
- (x) twenty-fourth, the Tax Amount (if any) for that Payment Period;
- (y) twenty-fifth, in payment pari passu and rateably to the Counterparty of any break costs (which have not been received from the relevant Debtor under paragraph (d)(i) above) under a Derivative Contract (including interest at the Bank Bill Rate plus 2% on such costs not paid to the Counterparty in any month); and
- (z) twenty-sixth, at the irrevocable direction of the Residual Income Unitholder (such direction being given by its entry into the Supplementary Terms Notice), in payment of any amounts that are scheduled to be paid under any applicable financing arrangements which are secured by the Residual

Income Unit during the period from and including the relevant Payment Date to the next Payment Date.

FirstMac will only make a payment under any of paragraphs (a) to (z) inclusive to the extent that any Total Interest Collections remain from which to make the payment after amounts with priority to that amount have been paid and distributed in full.

8.12 Distribution of income of Trust

On each Payment Date, after all amounts of Total Interest Collections are paid in accordance with section 8.11 (*"Distribution of Total Interest Collections"*), FirstMac must, to the extent any surplus amount remains, distribute such amount to the Residual Income Unitholder by way of distribution of the income of the Trust. Any amounts distributed under section 8.11(z) (*"Distribution of Total Interest Collections"*) will also be by way of distribution of the income of the Trust.

8.13 Allocation of Liquidation Losses

On any Determination Date or on the Final Maturity Date (as the case may be), if the Manager determines that there are Liquidation Losses in respect of any Eligible Receivable during the immediately preceding Collection Period, the Manager must allocate those Liquidation Losses in the following order:

- (a) first, towards the Class B Notes until the amount so allocated equals the Stated Amount of the Class B Notes (such amount being a **"Class B Charge-Off"**);
- (b) second, upon the Class B Charge-Off equalling the Stated Amount of the Class B Notes as a result of the application of this section, towards the Class AB Notes until the amount so allocated equals the Stated Amount of the Class AB Notes (such amount being a **"Class AB Charge-Off"**); and
- (c) third, upon the Class B Charge-Off equalling the Stated Amount of the Class B Notes and Class AB Charge-Off equalling the Class AB Notes as a result of the application of this section, towards pari passu and rateably, the Class A Notes and the FastPay Notes until the amount so allocated equals the Stated Amount of the Class A Notes and FastPay Notes (such amount being respectively a **"Class A Charge-Off"** and **"FastPay Charge-Off"**).

8.14 Carry over Charge-Offs

If, on any Determination Date, the Charge-Offs for that Determination Date exceeds the aggregate of the amount of the Total Interest Collections available for allocation to the Principal Repayment Fund in respect of Class B Charge-Offs, Class AB Charge-Offs, Class A Charge-Offs and FastPay Charge-Offs under sections 8.11(q), (s) and (u) (*"Distribution of Total Interest Collections"*) on that

Determination Date, then the Manager must direct FirstMac to, on and with effect from the next Payment Date:

- (a) reduce the Stated Amount of the Class B Notes by the amount of that excess until the Stated Amount of the Class B Notes is reduced to zero (such amount being a “**Class B Carryover Charge-Off**”);
- (b) upon the Stated Amount of the Class B Notes being reduced to zero as a result of the application of this section, reduce the Stated Amount of the Class AB Notes by the amount of that excess until the Stated Amount of the Class AB Notes is reduced to zero (such amount being a “**Class AB Carryover Charge-Off**”); and
- (c) upon the Stated Amount of the Class B Notes and Class AB Notes being reduced to zero as a result of the application of this section, reduce pari passu and rateably, the Stated Amount of the Class A Notes and the FastPay Notes by the amount of that excess until the Stated Amount of the Class A Notes and FastPay Notes is reduced to zero (such amount being a “**Class A Carryover Charge-Off**” and “**FastPay Carryover Charge-Off**”).

Amounts charged off may be reinstated in accordance with section 8.15 (“*Reinstatement of Carryover Charge-Offs*”).

8.15 Reinstatement of Carryover Charge-Offs

To the extent that, on any Determination Date, amounts are available for allocation under sections 8.11(r), (t) and (v) (“*Distribution of Total Interest Collections*”), then that amount will be applied on the next Payment Date to increase respectively:

- (a) in respect of section 8.11(r) (“*Distribution of Total Interest Collections*”), pari passu and rateably, the Stated Amount of the FastPay Notes and Class A Notes until the Stated Amount of the relevant Note equals the Invested Amount of that Note;
- (b) in respect of section 8.11(t) (“*Distribution of Total Interest Collections*”), the Stated Amount of the Class AB Notes until the Stated Amount of the Class AB Notes equals the Invested Amount of the Class AB Notes; and
- (c) in respect of section 8.11(v) (“*Distribution of Total Interest Collections*”), the Stated Amount of the Class B Notes until the Stated Amount of the Class B Notes equals the Invested Amount of the Class B Notes.

8.16 Distribution of Principal Repayment Fund

At the direction of the Manager, FirstMac must pay the following items in the following order of priority out of the Principal Repayment Fund on each Payment Date:

- (a) first, to repay or reimburse:
 - (i) subject to the Supplementary Terms Notice, any Further Advances (such amounts in total over the life of the Trust are not to exceed 10% of the aggregate Initial Invested Amount of all Class A Notes and as a result of the Further Advance the weighted average loan to value ratio of the Housing Loans in the Trust must not exceed 80% or the original weighted average loan to value ratio as of the Issue Date, whichever is the lower) or Redraws provided by a FirstSub in relation to a Receivable to the extent that it has not previously been repaid or reimbursed; and
 - (ii) to the Support Facility Provider, in payment of any amounts outstanding under the Support Facility;
- (b) second, to allocate to Total Interest Collections the amount of any Principal Draw to be provided on that Payment Date under section 6.9 (“*Principal Draw*”) of the Supplementary Terms Notice;
- (c) third, pro rata to Holders of FastPay Notes, the remainder of the Principal Payment Fund until the Invested Amount of the FastPay Notes has been reduced to zero;
- (d) fourth, to the extent that the Invested Amount of the FastPay Notes has been reduced to zero, pari passu and rateably to the Holders of Class A Notes and Class AB Notes, the remainder of the Principal Repayment Fund until the Invested Amount of the Class A Notes and Class AB Notes has been reduced to zero;
- (e) fifth, to the extent that the Invested Amount of the Class A Notes and Class AB Notes has been reduced to zero, pro rata to Holders of Class B Notes of an amount equal to the remainder of the Principal Repayment Fund until the Invested Amount of the Class B Notes has been reduced to zero; and
- (f) sixth, pari passu and rateably, the balance to the Residual Capital Unitholders.

FirstMac will only make a payment under any of paragraphs (a) to (f) inclusive to the extent that any funds comprising the Principal Repayment Fund remain from which to make the payment after accounts with priority to that amount have been paid and distributed in full.

8.17 Application of proceeds following an Event of Default

Following the occurrence of an Event of Default and enforcement of the Charge under the Deed of Charge, the Security Trustee must apply all moneys received by it in respect of the Secured Property in the following order:

- (a) first, to each holder of a Security Interest in which the Security Trustee is aware and which has priority over the Charge in relation to the Assets of the Trust;
- (b) second, to pay rateably any fees, remuneration and any, outgoings, liabilities, losses, costs, claims, demands, expenses, actions, damages, charges, stamp duties and other taxes due to or incurred by the Receiver, Security Trustee or Standby Trustee (whether or not acting as trustee of the Trust);
- (c) third, to pay rateably any fees and any liabilities, losses, costs, claims, expenses, actions, damages, demands, charges, stamp duties and other taxes of the Manager, FirstMac, the Servicer, the Custodian, the Registrar and the Standby Servicer;
- (d) fourth, to pay rateably other outgoings and liabilities that FirstMac or the Manager have incurred in acting under the Master Trust and Security Trust Deed and the Supplementary Terms Notice;
- (e) fifth, pari passu and pro rata in payment of all amounts due and payable by FirstMac to:
 - (i) the Holders of FastPay Notes;
 - (ii) the Holders of Class A Notes;
 - (iii) each Counterparty in respect of the Derivative Contracts; and
 - (iv) the Support Facility Provider under the Support Facilities;
- (f) sixth, pari passu and pro rata in payment of all amounts due and payable by FirstMac to the Holders of Class AB Notes;
- (g) seventh, pari passu and pro rata in payment of all amounts due and payable by FirstMac to the Holders of Class B Notes;
- (h) eighth, in payment pari passu of all amounts owing by FirstMac to the Manager, the FirstSubs and the Servicer under the Master Management Deed, the Master Origination Deed and the Master Servicer Deed (respectively) in respect of the Series; and
- (i) ninth, to pay any surplus to FirstMac to be distributed in accordance with the terms of the Master Trust and Security Trust Deed and the Supplementary Terms Notice.

8.18 Prefunded Amount

- (a) If the net proceeds of the issue of the Notes exceeds the aggregate of:

- (i) the amount payable by FirstMac on the Redesignation of the Housing Loans on the Closing Date; and
- (ii) Required Authorised Investment Liquidity Amount of Liquid Authorised Investments on the Closing Date,

the excess amount will be the “Prefunded Amount” and will be deposited into an account with an Eligible Bank in the name of FirstMac (“**Pre-funding Account**”). The Manager has agreed to ensure that the Prefunded Amount does not exceed 10% of the aggregate initial Invested Amount of the Notes. Withdrawals from the Pre-funding Account will be made with the consent of the Security Trustee at the written request of the Manager. The Security Trustee has agreed to consent to any such withdrawal provided that the Manager confirms to the Security Trustee that the conditions set out in paragraph (b) are satisfied. The Security Trustee is entitled to accept the authenticity of the Manager’s request and is not required independently to verify whether it has been properly given.

- (b) FirstMac may only request that a withdrawal be made from the Pre-funding Account in the following circumstances during the Pre-funding Period:
 - (i) to fund Redraws and Further Advances which are permitted by the Transaction Documents;
 - (ii) to invest in Authorised Investments provided that the proceeds of any such Authorised Investments must only be used in accordance with this section 8.18 (“*Prefunded Amount*”); and
 - (iii) to fund the acquisition or Redesignation of the Housing Loans and their Related Securities as Assets of the Series provided that FirstMac has obtained the written confirmation from each Current Rating Agency that the proposed acquisition or Redesignation will not result in an Adverse Rating Effect.
- (c) If any of the Prefunded Amount has not been so used during the Pre-funding Period, it will be included in the Principal Repayment Fund on the immediately following Payment Date and distributed in accordance with section 8.16 (“*Distribution of Principal Repayment Fund*”). The Security Trustee consents to a withdrawal being made in order to comply with the provisions of this paragraph.

9 Transaction Structure

9.1 Master Trust and Security Trust Deed

The Master Trust and Security Trust Deed was entered into with the Security Trustee to acquire, originate and securitise Receivables and Related Securities. Separate trusts may, from time to time, be constituted under the Master Trust and Security Trust Deed. Each trust is separate and distinct from any other trust under the Master Trust and Security Trust Deed and the assets of each trust will not be available to meet the liabilities of any other trust. The terms of each trust will be governed by the Master Trust and Security Trust Deed and the specific terms of each trust will be set out in a supplementary terms notice for the trust.

9.2 The Trust

The FirstMac Mortgage Funding Trust is a common law trust established by the Manager under the laws of New South Wales. The Trust may only act through FirstMac in its capacity as trustee of the Trust. Accordingly references to actions or obligations of FirstMac refer to such actions or obligations of the Trust.

9.3 Series Segregation

The Trust is constituted by the Master Trust and Security Trust Deed. The assets of the Trust are allocated to separate “Series”, each established by the execution of a “Deed of Charge” and “Supplementary Terms Notice” for that series by the Trustee in accordance with the Master Trust and Security Trust Deed.

The Series will comprise assets allocated to it by FirstMac and liabilities incurred by the Trustee in respect of the Series (including liabilities under the Notes) will be secured against those assets under the Deed of Charge for that Series.

The assets and liabilities of the Series are accounted for separately from those of any Other Series established under the Master Trust and Security Trust Deed and are not available in any circumstances to meet any obligations of the Trustee in respect of any other series, subject to the cross collateralisation of the excess available income described in section 6.3 (“*Excess Available Income*”). If, upon enforcement or realisation of the Deed of Charge, sufficient funds are not realised to discharge in full the obligations of FirstMac in respect of the Series, no further claims may be made against FirstMac in respect of such obligations and no claims may be made against any of its assets.

An Event of Default in respect of the series will not constitute an event of default in respect of any Other Series of the Trust.

The Series will correspond to the issuance of Notes.

9.4 FirstMac as trustee

FirstMac is appointed as trustee of the Trust, pursuant to the Notice of Creation, on the terms set out in the Master Trust and Security Trust Deed and the

Supplementary Terms Notice. FirstMac is paid a regular periodic fee (as agreed from time to time between FirstMac and the Manager).

Duties of FirstMac

Under the Master Trust and Security Trust Deed, FirstMac undertakes to (among other things):

- (a) act continuously as trustee of the Trust until the Trust is terminated in accordance with the Master Trust and Security Trust Deed or until it has retired or been removed in accordance with the Master Trust and Security Trust Deed;
- (b) not create any security interest over, charge, or deal with, the Assets of the Series except in the manner permitted by the Transaction Documents;
- (c) not, except in the manner contemplated by the Transaction Documents, transfer or deal with the Assets of the Trust or merge the Assets of the Trust with any other assets of FirstMac (in its personal capacity or in its capacity as trustee of another trust);
- (d) prepare proper and adequate books of account in accordance with the Corporations Act and give the audited accounts in respect of the Series to the Security Trustee within 180 days of the end of each financial year; and
- (e) notify the Security Trustee as soon as practicable after becoming aware of an Event of Default (as defined below).

Powers of FirstMac (as Trustee)

FirstMac 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 and beneficial owner of the Assets of the Series. Such powers include the ability and power to borrow and raise funds (subject to the Transaction Documents) on the security of the Assets of the Series.

FirstMac may delegate its powers and will not be liable for the acts or omissions of any agent or delegate provided that:

- (a) FirstMac appoints the agent or delegate in good faith and using due care; and
- (b) the agent or delegate is not a related entity of FirstMac.

The Master Trust and Security Trust Deed contains customary provisions for a document of this type that regulate the performance by FirstMac of its duties and obligations and the protections afforded to FirstMac in doing so. In general, FirstMac's liability in all circumstances (and the recourse of the Secured Creditors) will be limited to the Assets of the Series unless FirstMac is fraudulent, grossly negligent or acted with wilful default.

Termination

FirstMac must immediately retire as trustee of the Trust if:

- (a) FirstMac (in its personal capacity) is insolvent;
- (b) FirstMac is in breach of a material obligation under the Transaction Documents and, where such breach is remediable, FirstMac has not remedied such breach within 90 days of becoming aware of it; or
- (c) required by law,

(each a “**Trustee Termination Event**”).

FirstMac may also retire as trustee of the Trust upon giving 3 months’ notice in writing to the Unitholders and Secured Creditors. The retirement takes effect on the later to occur of the retirement date specified in the notice and the appointment of a replacement trustee.

Standby Trustee

If FirstMac’s appointment is terminated due to the occurrence of a Trustee Termination Event then, from the date of termination until the earlier of:

- (a) the appointment of a replacement trustee; and
- (b) the retirement of the Standby Trustee under the Master Trust and Security Trust Deed,

the Standby Trustee (or any other person appointed to act as its agent) must use its best endeavours to act as standby trustee with respect to the Transaction Documents in relation to the Trust upon the terms specified in the Master Trust and Security Trust Deed and to carry on and conduct its business in a proper and efficient manner as standby trustee.

The Standby Trustee will, regardless of the scope of its obligations from time to time, have all the rights and powers of FirstMac (in its capacity as trustee of the Trust) under the Transaction Documents which it may or may not exercise at its discretion. Neither the Standby Trustee nor its agent is liable for any loss, costs, liabilities or expenses arising out of it exercising or failing to exercise any powers or rights, or performing or failing to perform its obligations or duties as Standby Trustee, except where such acts or omissions amount to gross negligence, wilful default or fraud.

9.5 Receivables and Related Securities

The “**Receivables**” to be acquired by the Trust will consist of Housing Loans originated by the Originators set out in section 14 (“*Receivables Parameters*”).

Any Related Securities will also be assigned to the Trust upon transfer of the Receivables.

Under clause 3.4 (“*Servicer representations and warranties*”) of the Supplementary Terms Notice the Servicer will give the following representations and warranties in relation to the Receivables to be acquired by the Trust or originated by the relevant Originator:

- (a) the Receivable is an Eligible Receivable subject to any waiver in writing as permitted by the Transaction Documents;
- (b) since the Receivable was entered into by the relevant FirstSub or by HSBC Bank, the Receivable has been serviced in a manner which is consistent with the Servicing Procedures;
- (c) no notice of insolvency or bankruptcy of the Debtor has been received nor any notice that the Debtor does not have the legal capacity to enter into the Receivable;
- (d)
 - (i) in the case of a Receivable originated by HSBC Bank, prior to the Transition Period End Date, HSBC Bank in accordance with the Transitional Services Agreement; and
 - (ii) in all other cases, the Custodian, in accordance with the Master Trust Deed,

holds all documents necessary to enforce the provisions of, and the security created by, the Receivable and each Related Security;

- (e) except if the Receivable is subject to a fixed rate of interest at any time and except as may be provided by applicable laws or any provision of any law, regulation or code of conduct, the interest payable on the Receivable is not subject to any limitation and no consent, additional memoranda or other writing is required from the Debtor to give effect to a change in the interest rate payable on the Receivable and any change will be effective on notice being given to the Debtor in accordance with the terms of the Receivable; and
- (f) it is not subject to an Insolvency Event.

In addition, under clause 3.6 (“*Seller representations and warranties*”) of the Supplementary Terms Notice, the Seller will give the following representations and warranties:

- (a) it has been duly incorporated as a company limited by shares in accordance with the laws of its place of incorporation, is validly existing under those laws and has power and authority to carry on its business as it is now being conducted;

- (b) it has power to enter into and observe its obligations under the Supplementary Terms Notice and to carry out the transactions contemplated by it;
- (c) each authorisation which is required in relation to:
 - (i) the execution, delivery and performance by it of the Supplementary Terms Notice and the transactions contemplated by it; and
 - (ii) the validity and enforceability of it,has been obtained or effected. Each is in full force and effect. It has complied with such authorisation and has paid all applicable fees for each of them;
- (d) its obligations under the Supplementary Terms Notice are valid and binding and are enforceable against it in accordance with their terms (subject to laws relating to insolvency and creditors' rights generally);
- (e) the execution, delivery and performance by it of the Supplementary Terms Notice does not and will not violate in any respect any material provision of:
 - (i) any law, regulation, authorisation, ruling, consent, judgement, order or decree of any Governmental Agency; or
 - (ii) its constitution;
- (f) it has good title to the Receivables specified in the Receivables Transfer Statement free of any Encumbrance (other than a Permitted Encumbrance);
- (g) upon acquisition pursuant to a Redesignation of any Receivables in accordance with clause 16 of the Master Trust and Security Trust Deed, FirstMac will receive good title to such Receivables free of any Encumbrance (other than a Permitted Encumbrance);
- (h) no Insolvency Event has occurred in respect of it;
- (i) each Receivable specified in a Receivables Transfer Statement was not entered into in contravention of any applicable law which would result in a Material Adverse Effect;
- (j) each Receivable specified in the Receivables Transfer Statement is enforceable in accordance with its terms against the relevant Debtor;
- (k) each Receivable specified in the Receivables Transfer Statement was entered into in good faith;
- (l) no Debtor was required to open or maintain a deposit account with a Seller in relation to or as a precondition of entering into each relevant Receivable;

- (m) no notice of insolvency or bankruptcy of any Debtor has been received nor any notice that any Debtor does not have the legal capacity to enter into each relevant Receivable;
- (n) other than in respect of priorities granted by statute, it has not received notice from any person that claims to have an Encumbrance ranking in priority to or equal with each relevant Receivable or Related Security;
- (o) except if a relevant Receivable is subject to a fixed rate of interest at any time and except as may be provided by applicable laws or any provision of any law, regulation or code of conduct which is binding on the Seller, the interest payable on each Receivable is not subject to any limitation and no consent, additional memoranda or other writing is required from the Debtor to give effect to a change in the interest rate payable on each Receivable and any change will be effective on notice being given to the Debtor in accordance with the terms of each Receivable;
- (p) it is lawfully entitled to assign each Receivable upon the terms and conditions of the Receivables Transfer Statement and no consent to the sale and assignment of any Receivable is required to be given by or to any person including, without limitation, any Debtor;
- (q) at the time each relevant Receivable was entered into, all necessary steps were taken to ensure that the related Mortgage complied with all legal requirements applicable at that time to be a first ranking registered mortgage (subject to any statutory charges, any prior charges of a body corporate, service company or equivalent, whether registered or otherwise), secured over Land, subject to stamping and registration in due course; and
- (r) the sale of each relevant Receivable would not be held by a court to constitute a transaction at an undervalue, a fraudulent conveyance or a voidable preference under any insolvency laws.

Under clause 3.5 (“*Originator Representations and Warranties*”) of the Supplementary Terms Notice, each Originator will give the following representations and warranties in respect of it and each FirstSub:

- (a) it and each FirstSub has been duly incorporated as a company limited by shares in accordance with the laws of its place of incorporation, is validly existing under those laws and has power and authority to carry on its business as it is now being conducted;
- (b) it and each FirstSub has power to enter into and observe its obligations under the Supplementary Terms Notice and to carry out the transactions contemplated by it;
- (c) each authorisation which is required in relation to:

- (i) the execution, delivery and performance by it and each FirstSub of the Supplementary Terms Notice and the transactions contemplated by it; and
 - (ii) the validity and enforceability of it,
- has been obtained or effected and each is in full force and effect. It and each FirstSub has complied with such authorisations and has paid all applicable fees for each of them;
- (d) its and each FirstSub's obligations under the Supplementary Terms Notice are valid and binding and are enforceable against it in accordance with their terms (subject to laws relating to insolvency and creditors' rights generally);
 - (e) the execution, delivery and performance by it and each FirstSub of the Supplementary Terms Notice does not and will not violate in any respect any material provision of:
 - (i) any law, regulation, authorisation, ruling, consent, judgement, order or decree of any Governmental Agency; or
 - (ii) its and each FirstSub's constitution;
 - (f) in respect of Receivables which are Assets of the Series, either:
 - (i) HSBC Bank, in accordance with the Sale Deed;
 - (ii) the relevant FirstSub; or
 - (iii) FirstMac,has legal title to the Receivables free of any Encumbrance (other than a Permitted Encumbrance);
 - (g) no Insolvency Event has occurred in respect of it and each FirstSub;
 - (h) in respect of each Receivable which are Assets of the Series, each Receivable was not entered into in contravention of any applicable law which would result in a Material Adverse Effect;
 - (i) in respect of Receivables which are Assets of the Series, each Receivable is enforceable in accordance with its terms against the relevant Debtor;
 - (j) in respect of Receivables which are Assets of the Series, each Receivable is an Eligible Receivable at the Cut-off Date for that Receivable, subject to any waiver in writing from the Security Trustee;
 - (k) in respect of Receivables which are Assets of the Series, each Receivable was entered into in good faith;

- (l) in respect of Receivables which are Assets of the Series, no Debtor was required to open or maintain a deposit account with it in relation to or as a precondition of entering into the Receivable;
- (m) in respect of Receivables which are Assets of the Series, at the time it (and each Related Security) was originated the Receivable and each Related Security was originated in good faith and in the ordinary course of it and each FirstSub's business and in accordance with the origination manual;
- (n) in respect of Receivables which are Assets of the Series, since each Receivable was entered into, the Receivable, has been serviced in a manner which is consistent with the Servicing Procedures;
- (o) in respect of Receivables which are Assets of the Series or in respect of the Series, no notice of insolvency or bankruptcy of any Debtor has been received nor any notice that any such Debtor does not have the legal capacity to enter into each applicable Receivable;
- (p) in respect of Receivables which are Assets of the Series:
 - (i) in the case of a Receivable originated by HSBC Bank, prior to the Transition Period End Date, HSBC Bank in accordance with the Transitional Services Agreement; and
 - (ii) in all other cases, the Custodian, in accordance with the Master Trust Deed,holds all documents necessary to enforce the provisions of, and the security created by, the Receivables and each Related Security (if any);
- (q) in respect of Receivables which are Assets of the Series, other than in respect of priorities granted by statute, it or the relevant FirstSub has not received notice from any person that claims to have an Encumbrance ranking in priority to or equal with the Receivables or Related Security;
- (r) in respect of Receivables which are Assets of the Series, except if the Receivables are subject to a fixed rate of interest at any time and except as may be provided by applicable laws or any provision of any law, regulation or code of conduct which is binding on the Originator, the FirstSub or HSBC Bank (as applicable), the interest payable on the Receivable is not subject to any limitation and no consent, additional memoranda or other writing is required from the Debtor to give effect to a change in the interest rate payable on the Receivables and any change will be effective on notice being given to the Debtor in accordance with the terms of the Receivables;
- (s) in respect of Receivables which are Assets of the Series, the relevant FirstSub, HSBC Bank or the FirstMac Seller is lawfully entitled to assign the Receivables and no consent to the sale and assignment of the

Receivables or notice of that sale and assignment is required to be given by or to any person including, without limitation, any Debtor;

- (t) in respect of Receivables which are Assets of the Series, at the time each Receivable was entered into, all necessary steps were taken to ensure that the related Mortgage complied with all legal requirements applicable at that time to be a first ranking registered mortgage (subject to any statutory charges, any prior charges of a body corporate, service company or equivalent, whether registered or otherwise), secured over Land, subject to stamping and registration in due course; and
- (u) in respect of Receivables which are Assets of the Series, any sale or Redesignation of a Receivable to FirstMac 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.

Under clause 7.1 of the Master Origination Deed, each Originator will give the following representations and warranties, as at the settlement date for each Receivable, in relation to the Receivables originated by it and entered into by each FirstSub:

- (a) the Receivable was not entered into by the relevant FirstSub in contravention of any applicable law which would result in a Material Adverse Effect;
- (b) the Receivable is enforceable in accordance with its terms against the relevant Debtor;
- (c) the Receivable is an Eligible Receivable;
- (d) the Receivable was entered into by the relevant FirstSub in good faith in the ordinary course of business and in accordance with any procedures specified in any lending manual or similar document containing the current procedures and/or credit guidelines for originating loans as provided to each Originator by the Servicer;
- (e) the Receivable was entered into by the relevant FirstSub in good faith;
- (f) no Debtor was required to open or maintain a deposit account with any person in relation to or as a precondition of entering into the Receivable;
- (g) since the Receivable was entered into by the relevant FirstSub the Servicing Procedures have been complied with in respect of that Receivable;
- (h) no notice of insolvency or bankruptcy of the Debtor has been received nor any notice that the Debtor does not have the legal capacity to enter into the Receivable;
- (i) the relevant FirstSub holds its right, title and interest in, to and under the Receivable as bailee of FirstMac and that, to its knowledge, on the date that

the Receivable is acquired by FirstMac, no Encumbrance exists in relation to its right, title and interest in the Receivable;

- (j) the Custodian holds, in accordance with the Master Trust and Security Trust Deed, all documents necessary to enforce the provisions of, and the security created by, the Receivable and each Related Security (if any);
- (k) other than in respect of priorities granted by statute, it and each FirstSub 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;
- (l) except if the Receivable is subject to a fixed rate of interest at any time and except as may be provided by applicable laws or any provision of any law, regulation or code of conduct which is binding on the relevant FirstSub, the interest payable on the Receivable is not subject to any limitation and no consent, additional memoranda or other writing is required from the Debtor to give effect to a change in the interest rate payable on the Receivable and any change will be effective on notice being given to the Debtor in accordance with the terms of the Receivable;
- (m) at the time the Receivable was entered into by the relevant FirstSub, all necessary steps were taken to ensure that the related Mortgage complied with all legal requirements applicable at that time to be a first ranking registered mortgage (subject to any statutory charges, any prior charges of a body corporate, service company or equivalent, whether registered or otherwise), secured over Land, subject to stamping and registration in due course; and
- (n) it and each FirstSub is not subject to an Insolvency Event.

9.6 The Manager

FirstMac Limited has been appointed as a Manager under the Master Management Deed and the Supplementary Terms Notice to carry on the day to day administration, supervision and management of each Series in respect of the Trust. The Manager is paid a regular periodic fee (as agreed from time to time between FirstMac and the Manager, but not to be increased without the consent of each Current Rating Agency). First Mortgage Company Limited retired as manager under the Master Management Deed with effect from 30 June 2005.

Duties of the Manager

Under the Master Management Deed, the Manager agrees to undertake the following duties (among others):

- (a) take all steps as it considers necessary or desirable to enable FirstMac to perform its obligations under the Transaction Documents or exercise its rights in respect of any present and future right, property or undertaking of FirstMac of whatever kind and wherever situated;

- (b) evaluate proposals in relation to the acquisition of Receivables and Related Securities;
- (c) open, close, maintain and operate the bank account of each Series in respect of the Trust;
- (d) maintain appropriate records and prepare accounts and reports in respect of each Series in respect of the Trust as required;
- (e) notify the Security Trustee, FirstMac and each Current Rating Agency as soon as practicable after becoming aware of an Event of Default, a Manager Termination Event or a Servicer Termination Event (each as defined below); and
- (f) comply with the requirements of any relevant laws (including, where relevant, the requirements of the Consumer Credit Code) in exercising its rights and carrying out its obligations under the Management Deed.

Termination

Upon the occurrence of certain events (each a “**Manager Termination Event**”), the appointment of the Manager may be terminated. The Manager may also retire from the management of each Series in respect of the Trust upon giving 3 months’ notice in writing, or such lesser time as the Manager, and FirstMac agree, provided that the Manager may not retire unless:

- (a) it has appointed a replacement manager which is acceptable to FirstMac, the Security Trustee and each Current Rating Agency; and
- (b) the replacement manager executes a deed under which it covenants to act as Manager on, substantially, the same terms and for a fee determined on a market basis.

9.7 The Servicer

Under the Master Servicer Deed and the Supplementary Terms Notice, each of FirstMac Limited and First Mortgage Company Pty Limited have been appointed as a Servicer to service, manage and administer the Receivables and Related Securities in respect of each Series in respect of the Trust until a Servicer Termination Event (defined below) occurs or where its appointment is terminated in respect of each Series in respect of the Trust. The Servicer agrees to service, manage and administer the Receivables and Related Securities at its expense using all proper care, skill and diligence, and all its experience and expertise in the management of Receivables and Related Securities, in accordance with (among other things) the Master Servicer Deed, the requirements of the Servicing Procedures and any written instructions given by FirstMac. The Servicer is paid a regular periodic fee (as agreed from time to time between FirstMac and the Servicer, but not to be increased without the consent of each Current Rating Agency).

Duties

Under the Master Servicer Deed, the Servicer agrees to undertake the following duties in respect of each Series in respect of the Trust (among others):

- (a) take action to protect or enforce the terms of any Receivable or otherwise exercise any rights conferred under documentation or at law in relation to the Receivable and take such action and incur such expenses as are necessary for such protection, enforcement or exercise of rights in accordance with the Servicing Procedures;
- (b) set the interest rate charged (if that rate is a variable rate) on or any fees payable in respect of each Receivable on the instructions of the Manager;
- (c) prepare and collate all reasonably necessary performance statistics of the Receivables;
- (d) provide to FirstMac promptly from time to time such information, documents, records, reports or other information relating to the Receivables or the operations of the Servicer as may be reasonably requested by either of them;
- (e) on behalf of FirstMac, collect all Collections (defined in section 8.2 (“*Collections*”)) received by it in respect of each Receivable and remit any such Collections in the manner required by the Supplementary Terms Notice;
- (f) maintain any loan account in respect of any Receivable of each Series in respect of the Trust and give all notices, documents or statement required to be given under the Servicing Procedures to the relevant debtor; and
- (g) notify the Security Trustee, FirstMac and each Current Rating Agency as soon as practicable after becoming aware of a Servicer Termination Event (defined below).

The Servicer undertakes to obtain a valuation from an Approved Valuer of the Land and Improvements in respect of all Housing Loans with a 30 year interest only period on or about each of the 10th, 20th and 25th anniversary of the first drawdown of each such Housing Loan.

If a valuation which is conducted on the 10th or 20th anniversary of a Housing Loan does not disclose the value of the Land and Improvements for a particular Housing Loan have increased by at least 40% from the value shown in the previous valuation for that Housing Loan, then the Servicer must (as soon as reasonably practicable but not more than 2 months after the date of the valuation) take such steps as available to it at that time to convert that Housing Loan to a Housing Loan which fully amortises over the period of its remaining loan term.

If a valuation which is conducted on the 25th anniversary of a Housing Loan does not disclose the value of the Land and Improvements for a particular Housing

Loan have increased by at least 20% from the value shown in the previous valuation for that Housing Loan, then the Servicer must (as soon as reasonably practicable but not more than 2 months after the date of the valuation) take such steps as available to it at that time to convert that Housing Loan to a Housing Loan which fully amortises over the period of its remaining loan term.

If the Servicer fails to obtain a valuation for a particular Housing Loan by the date which is 2 months following the relevant anniversary, then as soon as reasonably practicable after that time the Servicer must take such steps as are available to it at that time to convert that Housing Loan to a Housing Loan which fully amortises over the period of its remaining loan term.

Termination

Upon the occurrence of certain events (each a “**Servicer Termination Event**”), the appointment of the Servicer may be terminated. The Servicer may also retire upon giving to FirstMac 3 months’ notice in writing, or such lesser time as the Servicer and FirstMac agree, provided that the Servicer may not retire unless:

- (a) it has appointed a replacement Servicer which is acceptable to FirstMac, the Security Trustee and each Current Rating Agency; and
- (b) the replacement servicer executes a deed under which it covenants to act as Servicer on, substantially, the same terms and for a fee determined on a market basis.

Standby Servicer

If the Servicer appointment is terminated due to the occurrence of a Servicer Termination Event then from the date of termination until the earlier of:

- (a) the appointment of a replacement servicer; and
- (b) the retirement of the Standby Servicer under the Master Servicer Deed,

the Standby Servicer (or any another person appointed to act as its agent) must act as standby servicer with respect to the Transaction Documents in relation to the Series and is required to carry on and conduct its business in a proper and efficient manner as standby servicer. The Standby Servicer is only required to perform the services specified in the Master Servicer Deed (including without limitation, collecting Collections, preparing and issuing notices to debtors and setting the interest rate on Receivables in accordance with the relevant loan agreement) and will only be required to perform such other services as agreed with the Manager in writing from time to time.

The Standby Servicer will, regardless of the scope of its obligations from time to time, have all the rights and powers of the Servicer under the Transaction Documents which it may or may not exercise at its discretion. Neither the Standby Servicer nor its agent is liable for any loss, costs, liabilities or expenses arising out of it exercising or failing to exercise any powers or rights, or

performing or failing to perform its obligations or duties as Standby Servicer, except where such acts or omissions amount to fraud, gross negligence or wilful default of the Standby Servicer or its agent.

9.8 Security structure

Security Trustee

J.P. Morgan Trust Australia Limited is appointed as Security Trustee on the terms set out in the Master Trust and Security Trust Deed. The Security Trustee is a professional trustee company and operates as a limited liability public company under the Corporations Act. JPMorgan Chase & Co. has sold its global corporate trust services business to The Bank of New York Company Inc and J.P. Morgan Trust Australia Limited is now a wholly owned subsidiary of BNY Trust (Australia) Pty Limited.

The Master Trust and 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 will 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 Secured Property (as defined below).

Deed of Charge

The Holders have the benefit of a fixed and floating charge over all the Assets of the Series (the “**Secured Property**”) under the Deed of Charge and the Master Trust and Security Trust Deed. The Security Trustee holds this charge on behalf of the Secured Creditors (including the Holders) pursuant to the Master Trust and Security Trust Deed and the Deed of Charge and may enforce the charge upon the occurrence of an Event of Default (as defined below).

Event of Default

An “Event of Default” occurs if:

- (a) **(Failure to Pay)** FirstMac fails to make a payment to a Secured Creditor of the Trust within 5 Business Days of the due date for payment of such amount and that failure has a Material Adverse Effect provided that a failure by FirstMac to make a payment of interest in full to the Holders of the Class B Notes will not be an Event of Default for these purposes until the Invested Amount of the Class A Notes, Class AB Notes and FastPay Notes has been reduced to zero;
- (b) **(other obligations)** FirstMac fails to perform or observe any other obligation or undertaking in respect of the Series expressed in, or given in

relation to, any Transaction Document in respect of the Series, that failure is not remediable and that failure has a Material Adverse Effect;

- (c) **(Charge)** the Deed of Charge:
 - (i) is held to be void, voidable or unenforceable; or
 - (ii) loses the priority which it is intended to have;
- (d) **(representations and warranties)** any representation or warranty given by FirstMac in respect of the Series in any Transaction Document is incorrect when made or repeated and has a Material Adverse Effect in respect of the Trust;
- (e) **(Insolvency Event)**
 - (i) an Insolvency Event occurs in respect of FirstMac (in its capacity as trustee of the Trust); or
 - (ii) an Insolvency Event occurs in respect of FirstMac (in its personal capacity) and a new trustee or the Standby Trustee is not appointed within 30 days of the occurrence of the Insolvency Event;
- (f) **(Illegality)** any Transaction Document is or becomes void, illegal, unenforceable or of limited force or effect;
- (g) **(Trust)** without the prior consent of the Security Trustee:
 - (i) the Trust is wound up, or FirstMac is required to wind up the Trust under the Master Trust and Security Trust Deed or applicable law, or the winding up of the Trust commences;
 - (ii) the Trust is held or is conceded by FirstMac not to have been constituted or to have been imperfectly constituted;
 - (iii) unless another trustee is contemporaneously and immediately appointed to the Trust under the Transaction Documents, FirstMac ceases to be authorised under the Trust to hold the property of the Series in its name and to perform its obligations under the Transaction Documents; or
 - (iv) the Series is terminated; or
- (h) **(indemnity not exercisable)** FirstMac is (for any reason) not entitled to fully exercise its right of indemnity against the assets of the Trust to satisfy any liability to a Secured Creditor and the circumstances are not rectified to the reasonable satisfaction of the Security Trustee within 14 days of the Security Trustee requiring FirstMac in writing to rectify them.

Other Default

If any of the following occurs:

- (a) **(failure to remedy)** the failure described in (b) of the Events of Default is remediable and FirstMac, the relevant Nominee Company or a FirstSub, as the case may be, has not remedied it within 21 days after becoming aware of the failure;
- (b) **(Material Adverse Change)** a material adverse change occurs in relation to the assets of the Series or relevant bare trust, as the case may be, or the value of the Eligible Receivables which comprise the assets of the Trust or relevant bare trust, as the case may be;
- (c) **(Servicer Termination Event)** a Servicer Termination Event has occurred in respect of the Series and, if capable of remedy, has not been remedied within 21 days of the occurrence of the Servicer Termination Event;
- (d) **(Title Perfection Event)** a Title Perfection Event has occurred in respect of the Series and, if capable of remedy, has not been remedied within 21 days of the occurrence of the Title Perfection Event;
- (e) **(Receivables Parameters)** the Receivables of the Series do not satisfy the Receivables Parameters and FirstMac does not remedy that breach within 30 days;
- (f) **(other charges)** any charge or guarantee given by FirstMac, a Related Entity, a FirstSub or a Nominee Company over its assets is void, voidable or unenforceable or action is taken to enforce it, or it loses the priority which it is intended to have;
- (g) **(Nominee Company ceases to be authorised)** without the prior consent of the Security Trustee, unless another trustee is contemporaneously and immediately appointed to the relevant bare trust under the Transaction Documents (as defined in the Securitisation Deed), a Nominee Company ceases to be authorised under the relevant bare trust to hold the property of the relevant bare trust in its name and to perform its obligations under the Transaction Documents (as defined in the Securitisation Deed); or
- (h) **(Originator/FirstSub ceases to be authorised)** an Originator ceases to be authorised to originate and a FirstSub ceases to be authorised to hold the relevant Receivables as FirstMac's agent and perform its obligations under the Master Origination Deed, unless a replacement Originator or FirstSub has been appointed pursuant to the terms of the Master Origination Deed or the legal title to the relevant Receivables has been registered in the name of FirstMac or another FirstSub,

the Servicer and Manager must indemnify FirstMac against any loss incurred, and, if appropriate, the relevant defaulting party will be replaced in accordance

with the Master Servicer Deed, Master Management Deed, Master Origination Deed or other relevant document, as the case may be.

Limited recourse to Security Trustee

The Security Trustee's liability under the Transaction Documents is limited to the amount which it receives from FirstMac or a receiver in respect of the Secured Property under the Master Trust and Security Trust Deed. This limitation will not apply to a liability of the Security Trustee to the extent that it is caused by the Security Trustee's fraud, gross negligence or wilful default.

Fees and indemnities

FirstMac, under the Master Trust and Security Trust Deed, has agreed to pay to the Security Trustee from time to time a fee (as agreed to between FirstMac and the Security Trustee). FirstMac must also pay or reimburse the Security Trustee for all costs, charges and expenses incurred by the Security Trustee in connection with its obligations under the Transaction Documents, except to the extent such cost, charge or expense was incurred directly as a result of the Security Trustee's fraud, gross negligence or wilful default.

Application of proceeds following an Event of Default

Following the occurrence of an Event of Default and enforcement of the Charge under the Deed of Charge, the Security Trustee must apply all moneys received by it in respect of the Secured Property in the order described in section 8.17 ("*Application of proceeds following an Event of Default*").

FirstSub guarantee and security

Each FirstSub will enter into a guarantee in favour of the Security Trustee. Under that guarantee, each FirstSub will guarantee the payment by FirstMac of the amounts due by FirstMac to the Secured Creditors. The obligations of FirstSub under the guarantee will be limited to the extent of the charge provided by each FirstSub in favour of the Security Trustee, under which each FirstSub grants a charge to the Security Trustee over the legal title that it holds to the relevant Receivables. Each FirstSub will also grant an irrevocable power of attorney in favour of FirstMac to take certain actions if an Originator Termination Events occurs in respect of the relevant Originator or FirstSub.

9.9 Limited Recourse and Limited Liability

(a) Limitation on FirstMac's liability

The Transaction Documents in respect of the Series apply to FirstMac only in its capacity as trustee of the Trust and in no other capacity. A liability incurred by FirstMac acting in its capacity as trustee of a Trust in respect of the Series arising under or in connection with this deed or any other Transaction Document is limited to and can be enforced against FirstMac only to the extent to which it can be satisfied out of the Series Assets of

which FirstMac is actually indemnified for the liability. This limitation of FirstMac's liability applies despite any other provision of this deed or any other Transaction Document (other than as set out below) and extends to all liabilities and obligations of FirstMac in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed or any other Transaction Document.

The parties other than FirstMac may not sue FirstMac in any capacity other than as trustee of the relevant Trust, including seeking the appointment of a receiver (except in relation to the Assets of the Series in respect of the relevant Trust), or a liquidator, an administrator or any similar person to FirstMac or prove in any liquidation, administration or arrangements of or affecting FirstMac (except in relation to the Assets of the Series).

The provisions of this section limiting FirstMac's liability does not apply to any obligation or a liability of FirstMac to the extent that it is not satisfied because under this deed or any other Transaction Document in relation to the relevant Series or by operation of law there is a reduction in the extent of FirstMac's indemnification out of the relevant Assets of each Series as a result of FirstMac's fraud, gross negligence or wilful default.

Each Secured Creditor is taken to have acknowledged that the Manager and other parties are responsible under the Transaction Documents and the other Transaction Documents in relation to the Series to which the Manager or such other parties (as the case may be) are a party for performing a variety of obligations relating to the Series. No act or omission of FirstMac (including any related failure to satisfy its obligations or breach of representation or warranty under this deed) will be considered fraud, gross negligence or wilful default for the purpose of this section if and to the extent the act or omission was caused or contributed to by any failure by the Manager or any other person appointed by FirstMac under any Transaction Document (other than a person whose acts or omissions FirstMac is liable for in accordance with any Transaction Document) to fulfil its obligations relating to the Series or by any other act or omission of the Manager or any other such person regardless of whether or not the act or omission is purported to be done on behalf of FirstMac.

No attorney, agent, receiver or receiver and manager appointed in accordance with this deed or any other Transaction Document has authority to act on behalf of FirstMac in a way that exposes FirstMac to any personal liability, and no act or omission of any such person will be considered fraud, gross negligence or wilful default of FirstMac for the purpose of this section.

FirstMac is not obliged to do anything or refrain from doing anything under or in connection with this deed (including incur a liability) unless FirstMac's liability is limited in the same manner as set out in this clause section.

The provisions of this section:

- (a) are paramount and apply regardless of any other provision of this deed or any other instrument, even a provision which seeks to apply regardless of any other provision;
- (b) survive and enure beyond any termination of this deed for any reason; and
- (c) are not severable from the Transaction Documents.

Notwithstanding any other provision of other Transaction Document, FirstMac is not obliged to execute or do or omit to do anything (including any instrument), enter into any agreement or incur any obligation in connection with the Series unless FirstMac has received independent legal advice (if required by FirstMac) in relation to the act, omission, instrument, agreement, obligation or liability and unless FirstMac's liability in connection with the act, omission, instrument, agreement, obligation or liability is limited in a manner satisfactory to FirstMac.

(b) Indemnity

FirstMac is indemnified out of the Assets in respect 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 in respect of the Series.

This indemnity does not extend to any liabilities, losses or Costs to the extent that they are due to FirstMac's fraud, gross negligence or wilful default.

For this purpose, "**wilful default**" means, in respect of FirstMac, any wilful failure to comply with or wilful breach of any of its obligations under this deed, other than a wilful failure or wilful breach which:

- (a) is in accordance with a lawful court order or direction or otherwise required by law; or
- (b) is in accordance with an instruction or direction from the Manager in respect of the Series; or
- (c) arose as a result of a breach by a person other than FirstMac or any other person contemplated by this clause and performance of the action (or non performance of which gave rise to such breach) is a precondition to FirstMac performing its obligations under this deed.

(c) No restriction on action

Nothing in this clause section is taken to impose any restriction upon the rights of the Residual Capital Unitholder, Residual Income Unitholder, the

Holders, any other Secured Creditors or any other persons in respect of a Trust or any Series to bring an action against FirstMac for loss or damage suffered by reason of FirstMac's fraud, gross negligence or wilful default.

(d) Limited recourse

FirstMac's liability in connection with the Transaction Documents of the Series (including any transaction in connection with them) may be discharged from, and the recourse of the Security Trustee and the Secured Creditors is limited to, only that part of the Secured Property which relates to that Series.

The realisation of the Secured Property which relates to a Series and its application towards the Secured Money of that Series in accordance with the Transaction Documents of that Series constitutes a complete discharge of the FirstMac's liability to the Security Trustee and each Secured Creditor of that Series in connection with the Transaction Documents of that Series (including any transaction in connection with them).

(e) No proceedings

The Security Trustee, a Secured Creditor of the Series or any person acting on their behalf may not seek to recover any shortfall in the amounts which would otherwise be owing by FirstMac in connection with the Transaction Documents of a Series if paragraph (d) ("*Limited recourse*") did not apply (being the shortfall after the realisation of that part of the Secured Property which relates to that Series and its application towards the Secured Money of that Series). This includes bringing proceedings against FirstMac or applying to have FirstMac wound up.

However, the Security Trustee, a Secured Creditor or any person acting on their behalf, may:

- (a) do anything necessary to enforce their rights in connection with the Secured Property of the Series; and
- (b) take proceedings to obtain:
 - (i) an injunction or other order to restrain any breach of the Transaction Documents of the Series by FirstMac; or
 - (ii) declaratory relief or other similar judgment or order as to the obligations of FirstMac under the Transaction Documents of the Series.

(f) All liabilities of FirstMac subject to limited recourse

Despite any other provision of the Transaction Documents, neither the Security Trustee nor any other person (including any Attorney appointed under the Charge or any Receiver appointed to the Secured Property of the

Series) may incur any liability on behalf of FirstMac except a liability which is subject to this section.

9.10 Purchase and Redesignation of Receivables

Purchase

FirstMac Debt Securities Pty Limited (“**FirstMac Debt Securities**”) acquires mortgages in the course of carrying on its business, and may offer to sell to FirstMac its right, title and interest in and to the mortgages from time to time under the terms of the Nomination Deed and Mortgage Sale Agreement.

Under the Nomination Deed, FirstMac Debt Securities nominates the Nominee Company to enter into and hold the Receivables on behalf of FirstMac Debt Securities as nominee and bare trust only. Accordingly, beneficial ownership of each Receivable vests in FirstMac Debt Securities under the terms of the Nomination Deed.

FirstMac Debt Securities is permitted to assign the beneficial ownership of a pool of Receivables to another entity such as FirstMac under the Nomination Deed and the Securitisation Deed. If FirstMac Debt Securities wishes to do so, then it must arrange for the negotiation and execution of documents relating to the acquisition and funding of the relevant pool of Receivables and enter into a “Mortgage Sale Agreement” with FirstMac for those Receivables. FirstMac is required to pay a purchase price for that pool of Receivables to FirstMac Debt Securities on the date it acquires those Receivables.

Upon payment of the purchase price, the Mortgage Sale Agreement provides that:

- (a) the relevant pool of Receivables is transferred to FirstMac free from any security interest granted by FirstMac Debt Securities; and
- (b) the legal title to the relevant Receivables that is held by the Nominee Company is unconditionally released from any security granted by that Nominee Company and is held by the Nominee Company as nominee and bare trustee only for FirstMac.

Upon payment of the purchase price, the Securitisation Deed deems the following to have occurred:

- (a) FirstMac Debt Securities assigns absolutely and unconditionally its right, title and interest as beneficial owner in the relevant Receivables to FirstMac;
- (b) the beneficial interest is unconditionally released and transferred to FirstMac free from the securities granted by FirstMac Debt Securities;
- (c) the legal title to those Receivables held by the Nominee Company is unconditionally released from any security granted by the Nominee Company, and

- (d) FirstMac nominates the Nominee Company to hold the relevant Receivable on its behalf as nominee and bare trustee only. The Nominee Company ceases to hold the relevant Receivable as nominee and bare trustee for FirstMac Debt Securities.

As a result of the provisions in the Nomination Deed and the Securitisation Deed, and assuming that the procedures contained in the Mortgage Sale Agreement have been followed, the effect of the offer by FirstMac Debt Securities to FirstMac to acquire a pool of Receivables, and the payment of the purchase price for that pool of Receivables by FirstMac, is that:

- (a) each Nominee Company will hold its legal title to the Receivables as nominee for, and on bare trust for, FirstMac and not FirstMac Debt Securities; and
- (b) the beneficial interest in the Mortgages is transferred from FirstMac Debt Securities to FirstMac.

For the purposes of the FirstMac Mortgage Funding Trust in respect of Series 1-2007, FirstMac will not be purchasing any Housing Loans from FirstMac Debt Securities in the manner described above. It may only acquire Housing Loans through Redesignation (see below "*Redesignation*") from FirstMac in its capacity as trustee of a Relevant Trust including in respect of a Relevant Series as the case may be. However, the Housing Loans acquired by FirstMac through Redesignation may have been assigned to FirstMac in its capacity as trustee of a Relevant Trust including in respect of a Relevant Series (as applicable)) in the manner described above.

Redesignation

Pursuant to the terms of the Master Trust and Security Trust Deed, FirstMac in its capacity as trustee of a Relevant Trust including in respect of a Relevant Series may dispose of Receivables. Where the FirstMac in its capacity as trustee of a Relevant Trust including in respect of a Relevant Series transfers Housing Loans to FirstMac, the beneficial interest in the Housing Loans is transferred from the FirstMac in its capacity as trustee of a Relevant Trust including in respect of a Relevant Series, as the case may be, to FirstMac and the legal title remains with the relevant FirstSub, relevant Nominee Company or HSBC Bank.

9.11 HSBC - Loan Purchase, Origination and Management

In December 2006 FirstMac, in respect of another Relevant Series, purchased a \$2.2 Billion loan portfolio from HSBC Bank Australia Limited ("**HSBC Bank**"). The portfolio represented HSBC Bank's third party broker introduced business and it included a small portfolio of reduced documentation loans. The collateral pool for this transaction includes approximately \$77 Million (11%) of these HSBC Bank originated reduced documentation loans.

These loans were primarily introduced to HSBC Bank by well established high profile mortgage aggregators with proven track records in introducing home loans to major and second tier banks, and non-bank financial institutions.

These organisations were responsible for sourcing the loan enquiry, obtaining the loan application and all necessary supporting documentation. Upon receipt of loan applications HSBC Bank obtained credit reference reports, commissioned valuations, undertook the credit analysis and approved or declined applications as the case may be. HSBC Bank did not delegate any approval authority.

All loan documentation was prepared in-house by HSBC Bank and HSBC Bank facilitated the settlement of the loans either directly or through appointed solicitors.

The reduced documentation loans are loans in respect of which the borrower was not required to provide details of income and as such there has been no verification of the borrower's capacity to service. Instead a declaration was obtained to the effect that borrowers declared they could meet the loan commitment without undue financial hardship.

Under the terms of the HSBC Bank portfolio a transition period to 31 March 2007 has been agreed, during which HSBC Bank will continue to fully service the loan portfolio, including loans in this collateral pool. The purpose of the transition period is to provide sufficient time to enable an orderly transfer of the management function and data migration, and to initiate the perfection of title process.

During the transition period HSBC Bank manages the borrower relationship, arrears follow up and collections. There is a same day automatic sweep of collections from the HSBC Bank collection account to an account in the name of FirstMac Fiduciary Services Pty Limited (in its capacity as trustee of the FirstMac Mortgage Funding Trust) with HSBC Bank, and HSBC Bank provides FirstMac with daily pool cuts, full loan by loan daily transaction files, and cash movement reconciliation. FirstMac developed an interim database to accept and analyse this data, report on trust movements and complete full reconciliation on an individual loan basis.

From 18 February 2007 FML will commence loading the HSBC Bank loans by daily anniversary date to the FML system for parallel run testing. It is expected that, by 18 March the entire HSBC Bank portfolio will have been loaded and tested in the parallel environment and problems resolved to enable HSBC Bank collections accounts to be closed and the transfer of all management functions to FML from 1 April 2007.

9.12 Counterparty Downgrade

To the extent that there is an active swap in place, if, as a result of the withdrawal or downgrade of its credit rating by any Current Rating Agency, a Counterparty does not have a short term credit rating or long term credit rating as designated in

the relevant Derivative Contract, the applicable Counterparty may be required to, at its cost, take certain action within certain timeframes specified in that Derivative Contract. This action may include delivering collateral to FirstMac, novating its rights and obligations under the relevant Derivative Contract to a replacement counterparty which holds the required credit ratings, procuring a third party, which holds a credit rating of at least the credit ratings referred to above, to guarantee the Counterparty's obligations under the relevant Derivative Contract or entering into any other arrangement which each rating agency confirms in writing will not result in a withdrawal or downgrading of the credit rating then assigned to the applicable Notes. If the relevant Counterparty lodges cash collateral with FirstMac, any interest or income on that cash collateral will be paid to the relevant Counterparty.

10 The FirstMac Group

10.1 Background to First Mortgage Company in Australia

FirstMac Limited (“FML”) (formerly FirstMac Mortgage Management Limited, and before that, Nationale Limited) is a wholly Australian owned, privately held company, located in Brisbane with offices located in all major metropolitan centres, whose core business has been in the origination and management of prime mortgages in the Australian market since 1988. FML was incorporated on 21 December 2001. The Australian Business Number of FML is 37 099 125 318. Its registered office is Level 38, 123 Eagle Street, Riverside Centre, Brisbane, Queensland 4000, and its telephone number is +61 7 3017 8858.

FML holds an Australian Financial Services Licence (No. 286668) issued by the Australian Securities and Investments commission (“ASIC”). As a Licensee, FML is required to have satisfied ASIC that it meets acceptable standards with respect to financial resources, risk management, compliance and corporate governance. FML currently has a servicer rating of above average from Standard & Poor’s (Australia) Pty Ltd.

Originations as at the disclosure date for the company were in excess of \$5.5 billion in residential loans with a number of funding sources, which in addition to the FirstMac program, include ANZ Bank and ING Bank.

In December 2001, FML purchased the management rights to the FirstMac program, a P-1 rated securitisation program fully underwritten by Canadian Imperial Bank of Commerce to complement its funding base. FML restructured the program to access both Australian and US capital markets, initially by way of CP issuance through Asset Backed Securitisation Corporation Limited (“ABSC”) (an Asset backed CP program managed by Canadian Imperial Bank of Commerce)

Commensurate with its business growth, FML now has in excess of \$2 billion in diversified warehouse capacity for the origination of mortgages with funding sourced both domestically and offshore. Currently, this comprises a domestic CP funded facility with ANZ Bank, a US CP facility with HSBC and balance sheet funded facilities with Macquarie Bank.

FirstMac first entered the residential mortgage backed securities (“RMBS”) market in September 2003 with an inaugural issue of \$350 million. This was followed in the 2004 calendar year, with further RMBS issuance totalling \$1 billion. In 2005 FirstMac had completed two self-certified loan RMBS issues totalling A\$970 million, both of which achieved benchmark pricing at the time of issuance, and a standard RMBS issue of A\$600 million. In 2006, FML completed a \$830 million RMBS transaction in the European markets and a A\$400 million RMBS transaction in respect of a pool including construction loans. The FirstMac Group currently has in excess of A\$3.0 billion in securitised assets and approximately \$6.4 billion in total assets under management.

Within the group, FML currently employs in excess of 200 staff nationwide. There is an independent Board, which the executive reports to on a monthly basis.

10.2 Management Profile

FML Board of Directors

(a) **Kim Cannon - Managing Director**

Kim Cannon founded the FirstMac business as a lease broker in 1979. In 1984 the Queensland Government, legislated the Mortgages (Secondary Market) Act 1984 (Qld), and a FirstMac Group company entered into a joint venture with a Queensland merchant-banking group to become a registered mortgage originator and mortgage issuer under the new legislation. After several years developing the loan program, the interest in the joint venture was sold in 1987.

In October 1991, agreement was reached by a FirstMac entity with Primary Industry Bank of Australia Limited (PIBA) to commence home loan mortgage origination outside of traditional bank lending. The FirstMac Group's first home loan was written in December 1991. At the same time, Kim was elected to sit on the Committee of the Queensland chapter of the Mortgage Industry Association of Australasia.

Over the next few years as the PIBA program developed, Kim was instrumental in enhancing many of the products, including developing the first non-bank loan for residential construction, blended loans, and many of the then new-style discounted and honeymoon loans in the market.

Kim during this time developed the business further with direct origination to several other funders of securitised and bank style loans. The company then entered the securitisation market through the acquisition of management rights to the FirstMac program and its subsequent restructure.

(b) **Andrew Kemp - Non Executive Director**

Andrew is an executive director of Huntington Group Pty Limited, a Brisbane-based corporate advisory firm, specialising in capital raisings and company acquisitions and divestments.

He has a Commerce degree from Melbourne University and is a chartered accountant. After working for KPMG and Littlewoods chartered accountants in Melbourne and Sydney, he joined AIFC, (the merchant banking arm of the ANZ Banking Group), in Sydney in 1978. From 1979 until 1985 he was Queensland Manager AIFC.

Andrew joined the north Queensland-based Coutts Group as general manager early in 1985 and worked for this group until January 1987 when he formed the Huntington Group. Since 1980 Andrew has been involved in a range of corporate finance activities including structuring and

implementing the ASX listing of seven companies. He has acted as a director of a number of companies both public and private, where he has been able to contribute with his analytical and capital market skills as well as provide practical input into management issues being faced by executives. Andrew is also a Director of the publicly listed company Primelife Corporation Limited.

Andrew has been a director of FML since 2001.

(c) Bede King - Non Executive Director

Bede is a partner of Tobin King Lateef, a Brisbane law firm. He was admitted as a solicitor in 1979 and has practiced in the commercial and property sectors (including Agribusiness) and in the managed investments/compliance area. Bede is a member of the compliance committees for a number of Managed Investments Schemes including Funds managed by Wilson HTM Asset Management Ltd, Property Funds of Australia Ltd and Mercator Funds Management Limited.

Bede is also the Chairman of YHA Australia since 1996 following a period as Queensland Chairman of Youth Hostels Association of Queensland. He is also a director of private and public companies.

Bede has been a director of FML since 2003.

Key Management

(d) Paul Eagar - Director Securitisation

Paul has over 20 years experience in the finance industry and has a thorough understanding of the mortgage lending market. He has held executive management positions with a number of lending, mortgage insurance and securitisation institutions and has direct experience in sales, marketing, credit, portfolio management, systems and policy development and implementation, and product development.

Paul's involvement in the securitisation sector of the market dates back to 1989 when he was a provider of credit enhancement to securitised programs. More recently, he has worked for Australian Mortgage Securities and was a Director of the RESIMAC Mortgage Securitisation Program from 1996, which at the time of his departure in 2001 had assets of approximately \$2 billion and had issued both domestically and offshore.

Paul has studied law, commerce, Asian business studies and various other industry related courses. His current position at FirstMac relates to the provision and maintenance of the company's funding arrangements and the structuring and issuance of the company's debt securities. He has been with the company since early 2002.

(e) **Rod Minell - Director**

Rod Minell, joined FirstMac in November 2004. He was previously an Executive Director of Imagine Group (Australia) Pty Limited a wholly owned subsidiary of diversified financial conglomerate, Brascan, Canada (NYSE: BNN) which acquired Centre Solutions (Australia) in October 2003.

Rod was Managing Director of Centre Solutions (Australia) from November 2000. Centre Solutions (Australia) was a provider of high yield structured finance via subordinated debt, mezzanine equity & structured reinsurance products to large Australian corporates.

Prior to working at Centre Solutions (Australia), Rod worked at ABN AMRO Australia Limited for ten years and was a Director and member of its Management and Credit Committees. At ABN AMRO he held positions as Head of its Corporate and Structured Finance, Financial Engineering, Capital Market and Syndication departments.

Rod is Deputy Chairman Australian Red Cross NSW and a Non-executive Director of Imagine Group (Australia) Pty Limited.

(f) **James Austin - Chief Financial Officer**

James Austin has many years of Treasury and Capital Markets experience, including expertise in financial markets accounting, market risk management, derivative valuations, and debt/equity markets settlement. During his career, he has worked at KPMG Brisbane, CSFB London, Abbey National London, HSBC Sydney, and HSBC Tokyo.

He has spent the last six years working with HSBC in Japan culminating in his appointment as the Chief Operating Officer of HSBC Japan, and was a member of the HSBC Group's ALM committee in Japan.

James holds a Bachelor of Business from Queensland University of Technology, and is an Associate of the Institute of Chartered Accountants in Australia, having qualified with KPMG in 1992.

(g) **Brian Reid - Chief Financial Controller**

Brian has been CFC of the group since July 2001. His previous experience includes working for Sunstate Credit Union for seven years, first as a management accountant and then as Financial Controller. After Sunstate merged with Northern and First State Building Societies, he was appointed Manager Accounting Services, a position he held for two years. Prior to joining FirstMac he was Finance Manager for a general insurer in Brisbane.

Brian holds a Bachelor of Business (Acct) and is currently a Certified Practising Accountant.

(h) **Darren McLeod – Head of Sales**

Darren joined FirstMac in April 2004 and brings with him over 20 years experience in banking and finance. During that time, he has worked in virtually every area of banking, including loan approvals, credit control and sales.

Previously Darren spent 11 years with CPS Credit Union in Adelaide followed by nine years with Adelaide Bank, where he was instrumental in establishing their national network of mortgage managers and brokers. In addition, while a business development manager at Adelaide Bank, Darren originated \$1 billion in loans in one financial year.

Darren holds an Associate Diploma in Banking and Finance and is a Member of the Australian Institute of Credit Management

(i) **William Barin – Head of Credit**

Bill has been Head of Credit at FirstMac since September 2006. His experience includes over 15 years with Westpac in a variety of management roles in corporate and retail credit and policy, problem asset management and debt capital syndication. His last role in Westpac was as head of credit and compliance for the retail bank's mortgage and personal loans product management group.

He has worked in Singapore where he was regional head of debt restructuring with Deutsche Bank Asia Pacific head office, and was also in credit risk review roles with two Asian regional banks. His last role before joining FirstMac was as credit director with Hewlett Packard Financial Services Asia Pacific, based in Sydney.

(j) **Steve Marshall – Chief Information Officer**

Steve has more than 18 years of IT industry experience. Having worked previously for NM Rothschild, UBS Warburg and Clayton Utz Solicitors, he possesses in-depth technical knowledge ranging from software development to large scale project management, and has spearheaded the successful implementation of several multi-million dollar initiatives, including an enterprise wide accounting and practice management system at McCullough Robertson Solicitors.

(k) **Tracey Boyes – National HR Manager**

Tracey has been the National HR Manager for FirstMac since February 2006. Her HR experience includes 19 years in the financial services sector with Lloyds TSB Group in the UK. Tracey's core responsibility at FirstMac is to ensure the business displays a consistent and compliant approach to all aspects of human resources – including, but not limited to, performance review and management, establishment of policies and procedures,

recruitment and induction, and overseeing staff training and development initiatives.

(l) **Alex Pearson – National Operations Manager**

Alex joined FirstMac in May 2006 and has operational responsibility for the business. He has many years of experience in operations management and finance, having worked at Suncorp as card processing centre manager and product manager, as personal lending operations manager for 3 years at HSBC and 10 years as a credit manager personal loan lending centre at Westpac.

10.3 Origination of Receivables

The FirstMac Residential lending program is designed to provide wholesale funding to accredited Originators operating throughout Australia. The wholesale funding is provided in the form of loan products developed by First Mortgage which meet Eligibility criteria as set by the Transaction Documents.

Originators are a mixture of retail and wholesale operations sourcing through third parties. To enable accreditation to the program, Originators are required to evidence a sufficient level of expertise and experience in the origination of loans, knowledge of the legislation and other legal requirements governing the mortgage lending industry. Originators are required to demonstrate a commitment to professional and ethical business standards, and adequate infrastructure and financial strength to conduct an origination business.

Underwriting plays a critical role in the assessment and acceptance or rejection of loans being introduced and managed by Originators in the program. The underwriting staff within FML assess a borrower's debt service capacity in accordance with specific guidelines set by FML and consistent with the requirements of the LMI providers to the program, and ensure overall loan compliance with program parameters. Currently no delegated authority is provided to any Originator accredited to the FirstMac program. All decisions to accept or reject loan applications are made by the FML underwriting staff.

All credit sensitive information is stored electronically at the offices of FML with the original files being maintained at the Originator's offices. Contractually, all information stored by an Originator has to be accessible by the Audit and Compliance team who regularly randomly audit files. Independent of the Originator, all valuations are verified by FML directly with the valuer, and FirstMac requires its Originators to independently confirm all employment and income details with the employer. In addition, FML randomly verifies this confirmation process.

10.4 Servicing of Receivables

FML administers the mortgages within the Brisbane Office. Loans are administered on the Ultracs system, a licensed system provided by Ultradata. The

Ultracs systems is used by a number of building societies, credit unions and banks in Australasia.

All transactional processing is outsourced to Indue Limited (formerly Creditlink Services Ltd) (ABN 97 087 822 464) (as Approved Deposit-taking Institution under the supervision of the Australian Prudential Regulation Authority) which is a nationally based payment systems and financial services provider. Indue Limited's client base includes Credit Unions, Building Societies, Church Funds, Insurance Companies and Mortgage Securitiser. All direct entry processing, including direct debits, settlements and redraws are processed under an agency agreement between Indue Limited and First Mortgage Company. As part of the disaster recovery plan, the Ultracs system is hosted at FirstMac's Brisbane office with a further disaster recovery site located in the Sydney office as a contingency.

Loan management is conducted by FML in its Brisbane office. All arrears management, reporting, client interface is provided by FML's on-line system which directly accesses the Ultracs system. The system is an HTML application allowing FML and its originators to interface on a daily basis on-line, allowing efficient, real time responses to day to day administration requirements.

Benefits of the system include, on line viewing of all borrower information including account status, payment details, redraw requests, credit submissions and history. The on-line system also allows for close prudential control of arrears matters in the program to ensure delinquencies are held to an absolute minimum and underpins the compliance with the program's mortgage insurers requirements and obligations. Arrears and other loan account data including advice of payment dishonours and defaults, loan balances, arrears amounts and days overdue is updated daily. The system provides for the automated generation of arrears letters and arrears file histories of all account actioning.

The arrears portfolio is managed actively and in accord with the legislative requirements (particularly the Consumer Credit Code and the Privacy Act). The system provides a full audit trail in the day to day management of a loan settled under the program.

Documentation of mortgages is governed by procedures set by external legal counsel which has certified documentary and procedural compliance with all relevant laws including Consumer Credit Code, Privacy Act and Trade Practices Act. An authorised Solicitors panel is maintained for loan settlement purposes. Once settled, all loan documentation is held in custody at the Custodian's offices. Scanned files are also available on-line.

FML also mitigates general risks associated with lending and administration of receivables via specific insurance covers (outside of general Lenders Mortgage Insurance cover specified in the disclosure document). These include:

- An Innocent Mortgagee Protection Insurance policy is in place for protection in the event that a loss has been incurred in the form of a security property being damaged or destroyed and the borrower has

insufficient or no cover. Debtors are required to provide evidence of insurance with the lender notified prior to settlement and are required to maintain adequate fire and general insurance for replacement value of the secured property throughout the loan term (being notified half yearly).

- A Comprehensive Crime Insurance Policy has also been put in place to cover the general risk of fraud or loss from criminal actions. The cover is in place for the exposure of the company either to internal or external fraud and general crime whether it be third party or internal. The cover protects the lender from such risks as fraud whether electronic, identity, documentary or general illegal activity which causes loss of security rights.
- Professional Indemnity Insurance- FML currently has PI Insurance cover in place for the amount of A\$2 million..

11 Taxation Considerations

*The following is a summary of the taxation treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “**Australian Tax Act**”), at the date of this Information Memorandum, of payments of interest (as defined in the Australian Tax Act) on the Notes to be issued by FirstMac under the Series and certain other matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Notes (including, dealers in securities, custodians or other third parties who hold Notes on behalf of any Note holders).*

Prospective holders of Notes should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that and other Series of Notes. The following is a general guide and should be treated with appropriate caution. Prospective holders of Notes who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

*Additional risk factors relating to the taxation treatment of FirstMac under the Australian Tax Act which may impact FirstMac’s ability to repay principal and pay interest on the Notes in a timely manner (or at all) are set out in Section 4 (“**Certain Special Considerations**”)*

11.1. Interest withholding tax

An exemption from Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act (“**IWT**”) is available, in respect of the Notes issued by FirstMac under Section 128F of the Australian Tax Act if the following conditions are met:

- (a) FirstMac is a company as defined in Section 128F(9) (which includes certain companies acting as trustee) and a resident of Australia when it issues those Notes and when interest (as defined in Section 128A(1AB) of the Australian 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 Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that FirstMac is offering those Notes for issue. In summary, the five methods are:
 - offers to 10 or more unrelated financiers or securities dealers;
 - offers to 100 or more investors;
 - offers of listed Notes;
 - offers via publicly available information sources; and
 - offers to a dealer, manager or underwriter who offers to sell those Notes within 30 days by one of the preceding methods.

In addition, the issue of any of those Notes (whether in global form or otherwise) and the offering of interests in any of those Notes by one of these methods should satisfy the public offer test;

- (c) FirstMac does not know, or have reasonable grounds to suspect, at the time of issue, that those Notes or interests in those Notes were being, or would later be, acquired, directly or indirectly, by an “associate” of FirstMac, except as permitted by Section 128F(5) of the Australian Tax Act; and
- (d) at the time of the payment of interest, FirstMac does not know, or have reasonable grounds to suspect, that the payee is an “associate” of FirstMac, except as permitted by Section 128F(6) of the Australian Tax Act.

Associates

Where, as in this case, FirstMac is a trustee of a trust, the entities that are “associates” of FirstMac for the purposes of Section 128F of the Australian 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. An “associate” of a 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 is capable of benefiting (whether directly or indirectly) under that trust; and (iv) a person or entity who is an “associate” of another person or company which is an “associate” of the Beneficiary under any of the foregoing.

However, for the purposes of Sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (c) and (d) above), “associate” does not include:

- (A) onshore associates (ie Australian resident associates who do not hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia); or
- (B) offshore associates (ie Australian resident associates who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who do not hold the Notes in the course of carrying on business through a permanent establishment in Australia) who are 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 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

FirstMac intends to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

US, UK, French and Norwegian resident Note holders

The Australian government has signed a number of new or amended double tax conventions (“**New Treaties**”) with the Specified Countries. The New Treaties apply to interest derived by a resident of a Specified Country.

The New Treaties effectively prevent IWT applying to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- certain unrelated banks and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Specified Country,

by reducing the IWT rate to zero. Under the New Treaties back-to-back loans and economically equivalent arrangements will not obtain the benefit of the reduction in the IWT rate mentioned above and the anti-avoidance provisions in the Australian Tax Act can apply.

Specified Countries means the United States, the United Kingdom, France and Norway. The New Treaty for the United States applies to any interest paid on or after 1 July 2003. The New Treaty for the United Kingdom applies to interest paid on or after 1 July 2004. The New Treaties for France and Norway are not yet entered into force nor have dates for their commencement been announced by the Australian, French or Norwegian governments.

No payment of additional amounts

Despite the fact that the Notes are intended to be issued in a manner which will satisfy the requirements of Section 128F of the Australian Tax Act and unless expressly provided to the contrary in any relevant Pricing Supplement (or another relevant supplement to this Information Memorandum), if FirstMac is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia or the State of New South Wales in respect of the Notes, FirstMac is not obliged to pay any additional amounts in respect of such deduction or withholding.

11.2. Other tax matters

Under Australian laws as presently in effect:

- (a) *income tax - offshore Note holders* - assuming the requirements of Section 128F of the Australian Tax Act are satisfied with respect to the Notes, payment of principal and interest (as defined in Section 128A(1AB) of the Australian Tax Act) to a holder of the Notes, who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes; and
- (b) *income tax - Australian Note holders* - Australian residents or non-Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia (“**Australian Holders**”), will be assessable for Australian tax purposes on income either received or accrued due to them in respect of the Notes. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular Note holder and the terms and conditions of the Notes. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located; and
- (c) *gains on disposal of Notes - offshore Note holders* - a holder of the Notes, who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of Notes by a non-Australian resident holder to another non-Australian resident where the 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 Notes - Australian Note holders* - Australian Holders will be required to include any gain or loss on disposal of the Notes in their taxable income. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located; and
- (e) *deemed interest* - there are specific rules that can apply to treat a portion of the purchase price of Notes as interest for IWT purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on business at or through a permanent establishment in Australia. As the Notes are not issued at a discount or with a maturity premium,

and pay interest at least annually, these rules should not apply to the Notes. These rules also do not apply in circumstances where the deemed interest would have been exempt under Section 128F of the Australian Tax Act if the Notes had been held to maturity by a non-resident; and

- (f) *death duties* - no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death; 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 Notes; and
- (h) *other withholding taxes on payments in respect of Notes* - Section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia ("**Taxation Administration Act**") imposes a type of withholding tax at the rate of (currently) 46.5% 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 proof of some other exception (as appropriate). Assuming the requirements of Section 128F of the Australian Tax Act are satisfied with respect to the Notes, then the requirements of Section 12-140 do not apply to payments to a holder of Notes in registered form who is not a resident of Australia and not holding those Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of Notes in registered form may be subject to a withholding where the holder of those Notes does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate); and
- (i) *supply withholding tax* - payments in respect of the Notes can be made free and clear of the "supply withholding tax" imposed under Section 12-190 of Schedule 1 to the Taxation Administration Act; and
- (k) *goods and services tax (GST)* - neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by FirstMac, nor the disposal of the Notes, would give rise to any GST liability in Australia;
- (l) *debt/equity rules* - Division 974 of the Australian Tax Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and IWT. FirstMac intends to issue Notes which are to be characterised as "debt interests" for the purposes of the tests contained in Division 974 and the returns paid on the Notes are to be "interest" for the purpose of Section 128F of the Australian Tax Act. Accordingly, Division 974 is unlikely to affect the Australian tax treatment of holders of Notes;

- (m) *additional withholdings from certain payments to non-residents* - Section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents on or after 1 July 2003. However, Section 12-315 expressly provides that the regulations will not apply to interest and other payments 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 Notes. Any further regulations also should not apply to repayments of principal under the Notes, as in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of the Notes will need to be monitored;
- (n) *taxation of foreign exchange gains and losses* - Divisions 775 and 960 of the Australian Tax Act contain rules to deal with the taxation consequences of foreign exchange transactions entered into on or after 1 July 2003 (unless a taxpayer elects for them to apply to earlier transactions). As all payments under the Notes will be in Australian dollars, and provided that all the receivables and receipts of FirstMac are in Australian dollars, the rules should not apply to FirstMac or to prospective Noteholders in respect of payments made by FirstMac on the Notes; and
- (o) *taxation of financial arrangements* - on 16 December 2005 the Australian Minister for Revenue and Assistant Treasurer issued an exposure draft of proposed new rules for the "Taxation of Financial Arrangements". It is intended that the new rules (if enacted) would represent a code for the taxation of receipts and payments in relation to financial arrangements. The new division defines financial arrangements and sets out five tax-timing methods. These methods (fair value, accruals, retranslation, realisation and hedging) determine the tax treatment of all financial arrangements covered by the legislation.

The exposure draft does not specify the commencement date for the new rules, although the explanatory material released with the exposure draft says that the new rules will apply to financial arrangements acquired after the start date. Taxpayers may also be able to elect for the new rules to apply to all financial arrangements existing at the start date.

The proposed measures should not apply to holders of Notes who are non-residents of Australia and who do not hold their Notes in the course of carrying on business at or through a permanent establishment in Australia.

The exposure draft does not contain any indication as to how (if at all) the proposed rules are to relate to the imposition of IWT. However, the government has given no indication that it intends the new rules to apply in a manner which overrides the section 128F exemption.

It is expected that the government will consult with taxpayers and industry representatives to develop the final legislation.

Norwegian resident Note holders

The Australian government has signed a number of new or amended double tax conventions (“**New Treaties**”) with the Specified Countries. The New Treaties apply to interest derived by a resident of a Specified Country.

The New Treaties effectively prevent IWT applying to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- certain unrelated banks and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Specified Country,

by reducing the IWT rate to zero. Under the New Treaties back-to-back loans and economically equivalent arrangements will not obtain the benefit of the reduction in the IWT rate mentioned above and the anti-avoidance provisions in the Australian Tax Act can apply.

Specified Countries means the United States, the United Kingdom, France and Norway. The New Treaty for the United States applies to any interest paid on or after 1 July 2003. The New Treaty for the United Kingdom applies to interest paid on or after 1 July 2004. The New Treaties for France and Norway are not yet entered into force nor have dates for their commencement been announced by the Australian, French or Norwegian governments.

No payment of additional amounts

Despite the fact that the Notes are intended to be issued in a manner which will satisfy the requirements of Section 128F of the Australian Tax Act and unless expressly provided to the contrary in any relevant Pricing Supplement (or another relevant supplement to this Information Memorandum), if FirstMac is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia or the State of New South Wales in respect of the Notes, FirstMac is not obliged to pay any additional amounts in respect of such deduction or withholding.

12 Selling Restrictions

12.1 Introduction

Each Dealer will enter into the Dealer Agreement with FirstMac in respect of the Class A Notes, Class AB Notes and Class B Notes (“**Relevant Notes**”) and may, upon the terms and subject to the conditions contained in the Dealer Agreement, make bids for the Relevant Notes and arrange for the Relevant Notes to be sold to investors. No action has been taken by FirstMac or the Dealers which would or is intended to permit a public offer of Relevant Notes in any country or jurisdiction where action for that purpose is required. Accordingly, the Dealers will undertake that they will not, directly or indirectly, offer or sell any Relevant Notes in any country or jurisdiction where action for that purpose is required and neither this Information Memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed in or from or published in any country or jurisdiction except under circumstances which will result in compliance with applicable laws and regulations.

12.2 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Relevant Notes has been or will be lodged with ASIC. Each Dealer has represented, warranted and agreed that it:

- (a) has not made or invited, and will not make or invite, an offer of the relevant Notes 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, the Information Memorandum or any other offering material or advertisement relating to any Notes in Australia, unless:
 - (i) the minimum aggregate consideration payable by each offeree or invitee on acceptance of the offer is at least A\$500,000 (or its equivalent in an alternate currency) (disregarding monies lent by the offeror or its associates) or more, or the offer does not otherwise require disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act;
 - (ii) the offer does not constitute an offer to a “retail client” for the purposes of Chapter 7 of the Corporations Act; and
 - (iii) such action complies with other applicable laws, and directives and does not require any document to be lodged with ASIC.

12.3 The United States of America

The Relevant Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and FirstMac has

not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”). An interest in the Relevant Notes may not be held by a “U.S. person” as defined in Regulation S under the Securities Act (“**Regulation S**”) at any time.

12.4 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 (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Relevant Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Relevant Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Relevant Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and noticed to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by FirstMac of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Relevant 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 Relevant Notes to be offered so as to enable an investor to decide to purchase or subscribe the Relevant Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State. The expression “**European Economic Area**” means the European Union, Iceland, Norway and Liechtenstein. The expression “**Member**

State of the European Economic Area” means any Member State of the European Union, Iceland, Norway and Liechtenstein.

12.5 The Republic of Ireland

Each Dealer has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell any Relevant Notes, except in accordance with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (“**Prospectus Regulations**”) and the provisions of the Irish Companies Act 1963-2005;
- (b) it has not and will not offer or sell any Relevant Notes other than in compliance with the provisions of the Irish Market Abuse (Directive 2003/6/EU) Regulations 2005; and
- (c) it will not underwrite the issue or place the Relevant Notes otherwise than in accordance with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including without limitation section 9, 23 (including any advertising restrictions made under that section), 50 and 37 (including any codes of conduct issued under that section) and the provisions of the Irish Investor Compensation Act 1998, including without limitation, section 21.

12.6 The United Kingdom

In relation to each Class of Relevant Notes, each Dealer subscribing for or purchasing such Notes has represented, warranted and undertaken, or will represent, warrant and undertake to FirstMac and each other Dealer (if any) that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Relevant Notes in circumstances in which section 21(1) of the FSMA does not or would not, if FirstMac was not an authorised person, apply to FirstMac; 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 Relevant Notes in, from or otherwise involving the United Kingdom.

12.7 Hong Kong

In Hong Kong, interests in the Relevant Notes may not be offered or sold by any document other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether a principal or agent); or (ii) to “professional investors” as defined in the Securities and Futures Ordinance (cap. 571) of Hong Kong and any rules made under that Ordinance; or (iii) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (cap. 32) of

Hong Kong. Unless it is a person permitted to do so under the securities laws of Hong Kong, no person may or shall issue, or have in its possession for the purpose of issue, any advertisement, invitation or document relating to the Relevant Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Relevant Notes which are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance and any rules made thereunder.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Relevant Notes. If you are in any doubt about the contents of this document, you should obtain independent professional advice.

12.8 Japan

The Relevant Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”) and, accordingly, each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Relevant Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

12.9 New Zealand

FirstMac does not intend that the Relevant Notes be offered for sale or subscription to the public in New Zealand in terms of the *Securities Act 1978* of New Zealand. Accordingly, no person may subscribe for, offer, sell or deliver any Notes or distribute any Information Memorandum, advertisement or offering material relating to the Notes in breach of the *Securities Act 1978* of New Zealand and, in particular, no person may sell or offer for sale Relevant Notes to any member of the public in New Zealand in breach of the *Securities Act 1978* of New Zealand.

12.10 Switzerland

This Information Memorandum does not constitute a prospectus within the meaning of Article 652A of the *Swiss Code of Obligations* and Article 1156 et seq. of the *Swiss Code of Obligations*. The Relevant Notes may not be publicly offered or distributed in or from Switzerland, and neither the preliminary Information Memorandum, the final Information Memorandum nor any other offering materials relating to any of the Relevant Notes may be publicly distributed in connection with any such offering or distribution.

12.11 Singapore

The Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (the “**Securities and Futures Act**”). Each Dealer has represented, warranted and agreed that the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Relevant Notes be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor or other person falling within section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in section 275 of the Securities and Futures Act, or (c) otherwise than pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each Dealer has further represented, warranted and agreed to notify (whether through the distribution of this Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes or otherwise) each of the following relevant persons specified in section 275 of the Securities and Futures Act which has subscribed or purchased Relevant Notes from and through that Dealer, namely a person who is:

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

that shares, debentures and units of shares and debentures 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 Notes under section 275 of the Securities and Futures Act except:

- (i) to an institutional investor under section 274 of the Securities and Futures Act or to a relevant person, or any person pursuant to section 275(1A) of the Securities and Futures Act, and in accordance with the conditions, specified in section 275 of the Securities and Futures Act;
- (ii) where no consideration is given for the transfer; or
- (iii) by operation of law.

12.12 Republic of China

The Relevant Notes may not be sold or offered in the Republic of China and may only be offered and sold to Republic of China resident investors from outside Taiwan in such a manner as complies with Taiwan securities laws and regulations applicable to such cross border activities.

12.13 General

Each Dealer has agreed that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Relevant Notes. These selling restrictions may be modified by the agreement of FirstMac and each Dealer following a change in or clarification of a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country concerned or any change in or introduction of any of them or in interpretation or administration.

13 Transaction Documents

Copies of the following documents will be available for inspection by Holders and bona fide prospective investors during business hours at the office of the Manager. However, any person wishing to inspect these documents must first enter into an agreement with the Manager, in a form acceptable to it, not to disclose the contents of these documents without its prior written consent:

13.1 Master Trust Documents

- FirstMac Trusts Master Definitions Schedule dated 23 June 2003 between FirstMac and the Security Trustee (“**Master Definitions Schedule**”) (as amended);
- FirstMac Trusts Master Trust and Security Trust Deed dated 23 June 2003 between FirstMac, the Security Trustee and others (“**Master Trust and Security Trust Deed**”) (as amended);
- FirstMac Trusts Master Origination Deed dated 14 August 2003 between FirstMac, the Security Trustee and the Originators (“**Master Origination Deed**”) (as amended);
- FirstMac Trusts Master Management Deed dated 23 June 2003 between FirstMac, the Manager and the Security Trustee (“**Master Management Deed**”) (as amended); and
- FirstMac Trusts Master Servicer Deed dated 23 June 2003 between FirstMac, the Servicer, the Standby Servicer and the Security Trustee (“**Master Servicer Deed**”).

13.2 FirstMac Mortgage Funding Trust Series 1-2007 Documents

- Notice of Creation of Security Trust given by FirstMac dated on or about the Issue Date constituting the FirstMac Mortgage Funding Trust Series 1-2007 Security Trust (“**Notice of Creation**”);
- FirstMac Mortgage Funding Trust Series 1-2007 Supplementary Terms Notice dated on or about the date of this Information Memorandum between (among others) FirstMac, the Manager, the Servicer, the Security Trustee and others, as amended from time to time (“**Supplementary Terms Notice**”);
- FirstMac Mortgage Funding Trust Series 1-2007 Deed of Charge dated on or about the Issue Date between FirstMac and the Security Trustee;
- Schedule to the ISDA Master Agreement between FirstMac, the Manager and the Counterparty (a “**Derivative Contract**”);

- FirstMac Mortgage Funding Trust Series 1-2007 Dealer Agreement dated on or about the date of this Information Memorandum between FirstMac, the Manager and Servicer, ANZ, Macquarie Bank, and HSBC; and
- FirstMac Mortgage Funding Trust Series 1-2007 Delegation Deed dated on our about the date of this Information Memorandum between FirstMac and J.P. Morgan Trust Australia Limited.

14 Receivables Parameters

Housing Loan Parameters

A Housing Loan is an Eligible Receivable where the Housing Loan satisfies the following criteria (unless otherwise agreed between FirstMac and the Security Trustee):

1. A FirstSub, Nominee Company HSBC Bank in accordance with the Sale Deed, will either be the registered first mortgagee of all Mortgages or, in the case of Mortgages which are equitably assigned to a Nominee Company, that Nominee Company will hold rights to the first Mortgage.
2. All Mortgages originated in the name of a FirstSub or Nominee Company must be covered by a Mortgage Insurance Policy on an individual basis (ie Outstanding Amount and any applicable interest is 100% covered by a Mortgage Insurer). FirstMac must also maintain 24 month Timely Payment Cover for each Mortgage.
3. All Housing Loans are to be in Australian Dollars.
4. In the case of loans to non Australian residents (other than New Zealand residents), the lender must ensure that the Debtor has a current irrevocable and unlimited power of attorney in favour of an Australian resident which is suitable for the service of notices in respect of the Housing Loans, and there must be an Australian address for notices to be given. The aggregate Outstanding Amount of Housing Loans made to non Australian residents will not exceed 10% of the aggregate Outstanding Amount of all Receivables of the Series ("**Limit**").
5. The maximum term of each Housing Loan will be thirty years.
6. Interest will be payable at either a fixed, capped or floating rate. Interest applied to Housing Loans may be simulated by way of loan charges. The aggregate Outstanding Amount of fixed rate Housing Loans must not exceed 20% of the Limit.
7. Properties will be located in capital city metropolitan areas and regional centres in any Australian State or Territory. In respect of Properties which are located in non-metropolitan areas, the aggregate Outstanding Amount of Housing Loan relating to those Properties will not exceed 40% of the Limit.
8. Properties in the following states or territories may be not more than the following applicable percentages:

State or Territory	Maximum percentage of Limit %
<u>Aggregate of Victoria and Queensland</u>	70
<u>Western Australia</u>	25

South Australia	20
Australian Capital Territory	5
Aggregate of Tasmania and Northern Territory	10

9. Properties will be restricted to residential properties and Vacant Land zoned residential. In respect of mortgaged properties which are located in Vacant Land zoned residential, the aggregate Outstanding Amount of Housing Loans relating to those Properties will not exceed 10% of the Limit.
10. Properties which are not accepted as security include:
 - (a) Properties which are under construction; or
 - (b) Properties which are the subject of builder sponsored arrangements whereby the builder provides a financial incentive or rebate to a buyer.
11. The Housing Loans will be secured only by registered first Mortgages over land. The form of title may be either freehold or Crown leasehold (where the term of the Crown leasehold expires not less than 35 years after the Housing Loan commences amortising).
12. Full fire and general insurance cover with lender's interest as mortgagee or assignee noted is required.
13. An Insurance Policy in respect of the Receivable which can be drawn upon in the event of a loss arising which is due to the absence of general insurance cover over a particular Debtor's Property. The insurance cover shall be for a minimum amount of A\$1,000,000.
14. Debtors are entitled to discharge their Mortgages early upon the repayment of all principal and of all interest and other amounts due and upon payment of a prepayment fee determined by FirstMac to compensate for loss of income.
15. A Valuation, by a valuer acceptable to both FirstMac and the Mortgage Insurer, must be obtained in respect of the Property, and be dated no earlier than six (6) months from the proposed Housing Loan settlement date (or such other period as agreed in writing between the Servicer and that Mortgage Insurer).
16. All legal requirements (including by way of example and not limitation, the Consumer Credit Code and the Corporations Act in each case as amended from time to time) must have been and will be strictly complied with.
17. The interest rate on each fixed rate Mortgage will be set such that a margin with a weighted average of greater than 1.25% per annum exists between the rate of interest charged on the aggregate Outstanding Amount of fixed rate Mortgages at the relevant time, being the date the Housing Loan is made or at the commencement of the relevant fixed rate period ("**Relevant Day**"), and the

interbank swap rate relevant for the fixed rate period of the Housing Loan on the Relevant Day.

18. The Properties will meet the following criteria:

Principal amount of loan	Maximum percentage of Limit %
Greater than A\$300,000 and less than or equal to A\$500,000	50
Greater than A\$500,000 and less than or equal to A\$1,000,000	20
Greater than A\$1,000,000	5

19. In respect of Properties purchased for investment purposes, the aggregate Outstanding Amount (excluding any capitalisation of premiums on Lender's Mortgage Insurance Contracts) of Housing Loan relating to those Properties will not exceed 80% of the Limit.
20. No Housing Loans with arrears greater than 30 days are permitted.
21. The following maximum loan balance and Housing Loan to valuation ratios ("LVR") limitations apply (unless the particular Housing Loan has been specifically approved for inclusion in the Series by each of Moody's, Fitch Ratings and Standard & Poor's):
- (i) Housing Loans other than Vacant Land:

Maximum LVR (%) (Excluding capitalisation of LMI premium)	Maximum Loan Limit - (\$) (Excluding capitalisation of LMI premium)	Security Location
80%	1,000,000	Any postcode acceptable to the relevant Mortgage Insurer insuring the Receivable

(ii) Vacant Land:

Maximum LVR (%) (Excluding capitalisation of LMI premium)	Maximum Loan Balance - (\$) (Excluding capitalisation of LMI premium)	Security Location
80%	550,000	Any postcode acceptable to the relevant Mortgage Insurer insuring the Receivable

22. The following limitations will apply for “Stated Income Loans”:

Maximum LVR (%) (Excluding capitalisation of LMI premium)	Maximum Loan Balance (\$) (Excluding capitalisation of LMI premium)	Security Location
80%	1,000,000	Any postcode acceptable to the relevant Mortgage Insurer insuring the Receivable

23. The following limitations will apply for Easy Doc Loans:

Maximum LVR (%) (Excluding capitalisation of LMI premium)	Maximum Loan Balance (\$) (Excluding capitalisation of LMI premium)	Security Location
70%	1,000,000	Any postcode acceptable to the relevant Mortgage Insurer insuring the Receivable

24. The following limitations will apply for “Low Doc Loans” which were originated by HSBC Bank:

Maximum LVR (%) (Excluding capitalisation of LMI premium)	Maximum Loan Balance (\$) (Excluding capitalisation of LMI premium)	Security Location
80%	2,182,500	Any postcode acceptable to the relevant Mortgage Insurer insuring the Receivable

25. Where a Mortgage secures one or more Housing Loans, all Housing Loans secured by such Mortgage will be transferred.
26. Where an interest only Housing Loan has a term of 30 years the terms of the Loan Agreement must permit the lender to convert the Housing Loan to fully amortising over the period of its remaining term.
27. A Debtor cannot include staff of the lender or FML.

15 Glossary of Terms

30 day rate has the meaning given to that term in section 15 (“*Glossary of Terms*”).

ABSC has the meaning given to that term in section 10.1 (“*Background to First Mortgage Company in Australia*”).

ABN has the meaning given to that term in section 11.2(h) (“*Other withholding taxes on payments in respect of Notes*”).

Accrual Amount means for a specified period:

- (a) the aggregate amount of fees, interest and charges which were accrued (but which have not been posted) on the Receivables (excluding any Delinquent Receivables or Defaulted Receivables) up to (and including) the last day of that specified period (provided that the accrued amount on the last day of the specified period in respect of a Receivable sold during that period is zero); minus
- (b) the aggregate of fees, interest and charges which were accrued (but which have not been posted) on the Receivables (excluding any Delinquent Receivables or Defaulted Receivables) up to (but excluding) the first day of that specified period (provided that the accrued amount on the first day of the specified period in respect of a Receivable purchased during that period is zero).

Adjusted Collections means for a Collection Calculation Period:

- (a) the Collections received during that Collection Period; minus
- (b) the Collection Period Distributions for that Collection Period.

Adverse Rating Effect means an effect which either causes or contributes to a downgrading or withdrawal of the rating given to any Notes by a Current Rating Agency.

ANZ has the meaning given to that term on page 2.

Approved Corporation means:

- (a) a person having a Required Credit Rating; or
- (b) a person who is a wholly owned subsidiary of an entity having a Required Credit Rating, and whose obligations are unconditionally guaranteed by such entity at the relevant time.

Arranger has the meaning given to that term on page 2.

ASIC has the meaning given to that term in section 1.8 (“*No Disclosure under Corporations Act*”).

Assets means, in respect of the Series, the right, title and interest of FirstMac, in its capacity as trustee of the Trust in respect of the Series, in all assets which are subject to

the Deed of Charge in respect of the Series including, without limitation, the following (to the extent to which they relate to the Series):

- (a) any Receivables, and Related Securities related to such Receivables held by FirstMac;
- (b) cash on hand or at a Bank representing cleared or immediately available funds;
- (c) Authorised Investments or any other investments;
- (d) amounts owing to FirstMac by Debtors;
- (e) any prepayment of expenditure;
- (f) any asset acquired by FirstMac or originated in accordance with the Master Trust and Security Trust Deed and the Supplementary Terms Notice for that series;
- (g) the benefit of all representations, warranties, undertakings, covenants, indemnities and promises made by any party in favour of FirstMac under the Transaction Documents;
- (h) other property as identified in writing by FirstMac; and
- (i) income, or amounts in the nature of income, accrued from investments or other assets referable to the Series to the extent not included in the preceding paragraphs of this definition.

Austraclear has the meaning given to that term in section 3.4 (“*Principal Characteristics of the Notes*”).

Austraclear Regulations has the meaning given to that term in section 3.4 (“*Principal Characteristics of the Notes*”).

Australian Holder has the meaning given in section 11.2(b) (“*The Holders*”).

Australian Tax Act has the meaning given in section 11 (“*Taxation Considerations*”).

Authorised Investments means investments in:

- (a)
 - (i) stock, bonds, notes or other securities issued by;
 - (ii) securities, deposits or loans secured or guaranteed by; or
 - (iii) deposits or loans secured upon stock, bonds, notes or other securities issued or guaranteed by,

the Commonwealth of Australia or any State or Territory of the Commonwealth of Australia and which investments have a Required Credit Rating at the time of the acquisition of such investments by FirstMac;

- (b) certificates of deposit, commercial paper or any other debt security which has a Required Credit Rating or which is issued by a person which is an Approved Corporation at the time the relevant security is acquired;
- (c) deposits with, or purchase of bills of exchange, promissory notes, certificates of deposit or other negotiable instruments accepted, drawn or endorsed by, an Approved Corporation at the time of the deposit, loan or purchase;
- (d) guarantee investment contract with a party which has a Required Credit Rating at the time FirstMac enters into the contract;
- (e) Mortgage-Backed Securities (as defined in the Duties Act 1997 (NSW)) which have a Required Credit Rating at the time of the investment by FirstMac in them;
- (f) a chose in action in respect of rights to direct the Reserve Bank of Australia to deliver securities being Approved Investments (other than under this paragraph (f)) to or to the order of FirstMac;
- (g) Liquid Authorised Investments,

being, in all cases:

- (i) an investment which can be converted to Cash on or prior to the immediately succeeding Payment Date;
- (ii) an investment denominated in Australian Dollars; and
- (iii) an investment held in the name of FirstMac.

Bank has the meaning given to the expression “Australian bank” in the Corporations Act.

Bank Bill Rate means, on any date, the rate expressed as a percentage per annum for the appropriate period:

- (a) calculated by taking the rates appearing on the Reuters screen BBSW page at or about 10.10 am (Sydney time) on that day for each bank so quoting (being no fewer than five) as being the mean buying and selling rate for a bill of exchange having a term of 30 days, after eliminating one of the highest and one of the lowest mean rates and taking the average of the remaining mean rates (rounded, if necessary, to the nearest fourth decimal place, and where there is no nearest fourth decimal place, rounded up); or
- (b) if fewer than five banks quote on the Reuters screen BBSW page, calculated as above by taking the rates otherwise quoted by five banks at or about 10.10a.m. (Sydney time) on that day by five institutions otherwise authorised to quote rates on the Reuters screen BBSW page for a bill of exchange of the same term; or
- (c) if a rate cannot be determined in accordance with the procedures in (a) or (b), specified in good faith by the Manager at or around that time on that date, having

regard, to the extent possible, to comparable indices then available as to the rate otherwise bid and offered for bills of exchange of that term,

provided that, in respect of the first Payment Period for a Class of Notes, the Bank Bill Rate will be an interpolated rate calculated with reference to the tenor of the relevant period.

Borrower Exit Fees means any break costs or exit fees (howsoever defined) charged to the borrower in respect of a Receivable for early determination of that Receivable.

Borrower Rate means, in respect of a Receivable, the interest rate from time to time applicable to that Receivable.

Business Day means a day (excluding Saturday, Sunday and any public holiday) on which commercial banks are open for business in Sydney, Melbourne and Brisbane.

Calculation Period means:

- (a) in respect of calculations being made on a Determination Date in respect of a Payment Date, the relevant Collection Period; or
- (b) on any other day, the period from and including the first day of the Collection Period during which that day falls, to but excluding that day.

Call Date means the earlier to occur of:

- (a) the Payment Date scheduled to fall in February 2012; and
- (b) the Payment Date following the Determination Date on which the aggregate Outstanding Amount of Receivables of the Series is equal to or less than 20% of the aggregate Invested Amount of all Notes issued on the initial Issue Date for the Series,

and each Payment Date thereafter.

Call Option means FirstMac's option to redeem the Notes in full on the Call Date.

Carryover Charge-Offs means either a Class A Carryover Charge-Off, a Class AB Carryover Charge-Off, a Class B Carryover Charge-Off or a FastPay Carryover Charge-Off, as the context requires.

Cash includes Cheques and the electronic transfer of funds.

Cashflow Allocation Methodology means the methodology outlined in section 8 ("*Cashflow Allocation Methodology*").

Charge has the meaning given to it in the Deed of Charge.

Charge-Off means either a Class A Charge-Off, a Class AB Charge-Off, a Class B Charge-Off or a FastPay Charge-Off, as the context requires.

Cheque means a cheque, bank cheque or payment order.

Class A Carryover Charge-Off has the meaning given to it in section 8.14(c) (“*Carryover Charge-Offs*”).

Class A Charge-Off has the meaning given to it in section 8.13(c) (“*Allocation of Liquidation Losses*”).

Class A Margin means the rate percentage per annum determined on the Pricing Date and notified to Holders of the relevant Class A Notes on the Pricing Date and inscribed in the Register as the margin applicable to those Class A Notes. If the Class A Notes are not redeemed on the first Call Date, then with effect from that Call Date, the Class A Margin will double.

Class A Note means a Note issued pursuant to clause 4.1(a) (“*Class A Notes, Class AB Notes, Class B Notes and FastPay Notes*”) of the Supplementary Terms Notice.

Class A Stated Amount means, in relation to a Class A Note on any date, an amount equal to the Invested Amount of that Class A Note on that date less any Class A Carryover Charge-Offs made in respect of that Class A Note which have not been reimbursed at that date.

Class AB Carryover Charge-Off has the meaning given to it in section 8.14(b) (“*Carryover Charge-Offs*”).

Class AB Charge-Off has the meaning given to it in section 8.13(b) (“*Allocation of Liquidation Losses*”).

Class AB Margin means the rate percentage per annum determined on the Pricing Date and notified to Holders of the relevant Class AB Notes on the Pricing Date and inscribed in the Register as the margin applicable to those Class AB Notes.

Class AB Note means a Note issued pursuant to clause 4.1(b) (“*Class A Notes, Class AB Notes, Class B Notes and FastPay Notes*”) of the Supplementary Terms Notice.

Class AB Stated Amount means, in relation to a Class AB Note on any date, an amount equal to the Invested Amount of that Class AB Note on that date less any Class AB Carryover Charge-Offs made in respect of that Class AB Note which have not been reimbursed at that date.

Class B Carryover Charge-Off has the meaning given to it in section 8.14(a) (“*Carryover Charge-Offs*”).

Class B Charge-Off has the meaning given to it in section 8.13(a) (“*Allocation of Liquidation Losses*”).

Class B Margin means the rate percentage per annum determined on the Pricing Date and notified to Holders of the relevant Class B Notes on the Pricing Date and inscribed in the Register as the margin applicable to those Class B Notes.

Class B Note means a Note issued pursuant to clause 4.1(c) (“*Class A Notes, Class AB Notes, Class B Notes and FastPay Notes*”) of the Supplementary Terms Notice.

Class B Stated Amount means, in relation to a Class B Note on any date, an amount equal to the Invested Amount of that Class B Note on that date less any Class B Carryover Charge-Offs made in respect of that Class B Note which have not been reimbursed at that date.

Class of Notes means each of the Class A Notes, Class AB Notes, Class B Notes and FastPay Notes (or one of more of them) as the context requires.

Closing Date means the date specified in a Sale Notice or a Receivables Transfer Statement as the date on which Receivables are to be transferred or Redesignated to the Series.

Code and Consumer Credit Code means 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 Code set out in the Appendix to the Consumer Credit (Western Australia) Act 1996 or the provisions of the Code set out in the Appendix to the Consumer Credit Code (Tasmania) Act 1996.

Collections has the meaning given to it in section 8.2 (“*Collections*”).

Collections Account means the account opened by FirstMac in its capacity as trustee of the Trust in respect of the Series in accordance with the Supplementary Terms Notice.

Collection Period means:

- (a) with respect to the first period, the period from (and including) the Cut-Off Date to (but excluding) the first Determination Date; and
- (b) thereafter, each period from (and including) a Determination Date to (but excluding) the immediately following Determination Date.

Collection Period Distributions has the meaning given to that term in section 8.3 (“*Collection Period Distributions*”).

Corporations Act has the meaning given to that term in section 1.8 (“*No Disclosure under Corporations Act*”).

Counterparty means, in respect of the Series, any counterparty with which FirstMac has entered into one or more Derivative Contracts in respect of the Series.

Current Rating Agency means, in respect of the Series or any Transaction Document, at any given time, each internationally recognised rating agency which at that time, at the request of FirstMac, assigns a rating to any debt securities issued by FirstMac in respect of the Series.

Cut-Off Date means in respect of a Receivable acquired by the Series pursuant to the Master Trust and Security Trust Deed, the date specified in the relevant Receivable

Transfer Statement as the date on which the Receivable is selected for acquisition by FirstMac, in its capacity as trustee of the Trust in respect of the Series, with the actual transfer occurring on the Closing Date.

Dealer means each of the Joint Lead Managers and HSBC.

Dealer Agreement means an agreement entitled “FirstMac Mortgage Funding Trust Series 1-2007 Dealer Agreement” dated on or about the date of this Information Memorandum between FirstMac, the Manager, the Arranger and the Joint Lead Managers.

Debtor means, in relation to a Receivable, the person who is obliged to make payments with respect to that Receivable, whether as a principal or secondary obligation and includes, where the context requires, an other person obligated to make payments with respect to that Receivable (including any mortgagor or guarantor).

Debtor Insolvency Event means:

- (a) in relation to a body corporate, the happening of any of these events in respect of that body corporate:
 - (i) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
 - (ii) it has a Controller (as defined in the Corporations Act) appointed, is in liquidation, in provisional liquidation, under administration or wound up or has had a Receiver appointed to any part of its property; or
 - (iii) 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 FirstMac); or
 - (iv) 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 (i), (ii) or (iii) above; or
 - (v) it is taken (under section 459(F)(1) of the Corporations Act) to have failed to comply with a statutory demand; or
 - (vi) it is the subject of an event described in section 459(C)(2)(b) or section 585 of the Corporations Act (or it makes a statement from which Funding reasonably deduces it is so subject); or
 - (vii) it is otherwise unable to pay its debts, other than the relevant Receivable, when they fall due; or

- (viii) something having a substantially similar effect to (i) to (vi) happens in connection with that person under the law of any jurisdiction; and
- (b) in respect of a person which is not a body corporate, the happening of any of the following events in respect of that person:
 - (i) the death, mental incapacity or bankruptcy of the person (including without limitation the occurrence of an “act of bankruptcy” (as defined in section 40 of the Bankruptcy Act 1966 (Cwth) with respect to the person) or the appointment of a receiver, trustee or other official in respect of all or any part of the assets of the person; or
 - (ii) such person has a security granted by them enforced against them; or
 - (iii) the person is otherwise unable to pay its debts, other than the relevant Receivable, when they fall due; or
 - (iv) anything analogous to or having a substantially similar effect to the event referred to above happens under the law of any applicable jurisdiction.

Deed of Charge means the deed entitled “FirstMac Mortgage Funding Trust Series 1-2007 Deed of Charge” dated on or about the Issue Date between FirstMac and the Security Trustee.

Defaulted Receivable means a Housing Loan:

- (a) under which the relevant Debtor fails to make a payment (in whole or in part) and 90 days or more have elapsed since the due date for such payment;
- (b) which has been written-off in accordance with the credit and collection policies of the relevant Originator; or
- (c) in respect of which a Debtor Insolvency Event has occurred in respect of the applicable Debtor.

Delegation Deed means the deed entitled “FirstMac Mortgage Funding Trust Series 1-2007 Delegation Deed” dated on or about the Issue Date between FirstMac and J.P. Morgan Trust Australia Limited.

Delinquent Receivable means a Housing Loan under which the relevant Debtor fails to make a payment (in whole or in part) and at least 30 days but not more than 90 days have elapsed since the due date for such payment.

Derivative Contract means, in respect of the Series, any interest rate swap, forward rate agreement, cap, floor, collar or other rate or price protection transaction or agreement, currency swap, any option with respect to any such transaction or agreement, or any combination of such transactions or agreements or other similar arrangements entered into by FirstMac in connection with:

- (a) the Notes in respect of the Series;

- (b) any Asset in respect of the Series; or
- (c) any Authorised Investment of the Series.

Determination Date means the day which is 4 Business Days prior to a Payment Date. The first Determination Date will be 19 March 2007 .

Easy Doc Loan has the meaning given to that term in section 7.4 (*“Housing Loans, including Self Certified Loans and Easy Doc Loans”*).

Eligible Receivables means, at any time, Receivables complying with the then current Receivables Parameters.

Encumbrance means any Security Interest, notice under section 218 or 255 of the Income Tax Assessment Act 1936 (Cwlth) or section 260-5 of the Taxation Administration Act 1953 (Cwlth) or under any similar provision of a State, Territory or Commonwealth law in favour of any person other than the Security Trustee.

Enforcement Expenses means all expenses paid by the Servicer and/or FirstMac in connection with the enforcement of any Housing Loan or any Related Security in respect of the Series.

Event of Default means the occurrence of an event specified in section 9.9 (*“Security structure”*).

Expenses of the Series means all costs, charges and expenses reasonably and properly incurred by FirstMac or the Manager in connection with the Series.

Extraordinary Resolution means a Resolution which is by 75% of votes cast by the persons present and entitled to vote at a meeting.

FastPay Carryover Charge-Off has the meaning given to it in section 8.14(c) (*“Carryover Charge Offs”*).

FastPay Charge-Off has the meaning given to it in section 8.13(c) (*“Allocation of Liquidation Losses”*).

FastPay Margin means the rate percentage per annum determined on the Pricing Date and notified to Holders of the FastPay Notes on the Pricing Date of the FastPay Notes and inscribed in the Register as the margin applicable to those FastPay Notes.

FastPay Note means a Note issued pursuant to clause 4.1(d) (*“Class A Notes, Class AB Notes, Class B Notes and FastPay Notes”*) of the Supplementary Terms Notice.

FastPay Stated Amount means, in relation to a FastPay Note on any date, an amount equal to the Invested Amount of the FastPay Note on that date less any FastPay Carryover Charge-Offs made in respect of that FastPay Note which have not been reimbursed at that date.

FastPay Stepup Date means, in respect of a FastPay Note, the first anniversary of its Issue Date.

Final Maturity Date means 21 February 2038.

Finance Charge Collections means, as calculated on a Determination Date, any interest and other amounts in the nature of interest or income, fees and charges (excluding Borrower Exit Fees) received during the immediately preceding Collection Period under or in respect of any Receivable (including, for the avoidance of doubt, in respect of any Timely Payment Cover), or any similar amount deemed by the Servicer to be in the nature of income, interest, fee or charge.

First Payment Date means 21 March 2007, except in the case of FastPay Notes, which will be the Payment Date agreed between the Dealers and FirstMac.

FirstMac Debt Securities has the meaning given to that term in section 9.11 (*"Purchase and Redesignation of Receivables"*).

FirstSub means FirstMac Assets Pty Limited, its subsidiaries and each entity appointed a 'FirstSub' pursuant to the Master Origination Deed.

Fitch Ratings means Fitch Australia Pty Limited.

Further Advance means any additional provision of financial accommodation (other than Redraws) made pursuant to the terms of the Receivable.

Holding Period means in respect of any Receivables being acquired, redesignated or disposed, the period commencing on the Cut-Off Date relating to such disposal, redesignation or acquisition of such Receivables and ending on the date of such disposal, redesignation or acquisition of such Receivables.

Holding Period Interest means, in respect of any Receivables being acquired or disposed of by FirstMac, the Accrual Amount for Receivables for the Holding Period calculated on the assumption that the Outstanding Amount such Receivables for the duration of the Holding Period was the Outstanding Amount of those Receivables as at the first day of such Holding Period.

Housing Loan means a receivable secured by a Mortgage over Land.

HSBC has the meaning given to that term on page 2.

HSBC Bank means HSBC Bank Australia Limited.

Improvements mean all improvements to the Land including, without limitation, all buildings, fences, structures, fixtures and fittings which are, from time to time, situated on the Land.

Initial Invested Amount means for each Note, the amount of \$10,000.

Information Memorandum has the meaning given to that term in section 1.1 (“*Purpose*”).

Insolvency Event means the happening of any of these events:

- (a) an application (other than a frivolous or vexatious application or an application which is stayed within 15 Business Days) is made to a court or an order is made that the relevant body corporate be wound up other than for the purposes of a solvent reconstruction or amalgamation;
- (b) an application is made to a court or an order appointing a liquidator or provisional liquidator in respect of the relevant body corporate, or one of them is appointed, whether or not under an order;
- (c) a receiver, receiver and manager, liquidator, trustee or similar officer is appointed in respect of any part of the property of the relevant body corporate and such appointment is not remedied within 15 Business Days;
- (d) an administrator is appointed to the relevant body corporate or any steps are taken for the appointment of an administrator to the relevant body corporate;
- (e) the relevant body corporate commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors;
- (f) the relevant body corporate is or states that it is unable to pay its debts as and when they fall due or is deemed unable to pay its debts under any applicable legislation (other than as a result of the failure to pay a debt or claim which is the subject of a good faith dispute); or
- (g) anything analogous or having a substantially similar effect to any of the events specified above happens under the laws of any applicable jurisdiction.

Insurance Policy means, in respect of a Receivable, any policy of insurance provided by a Mortgage Insurer in force in respect of a Receivable or its Related Security (if any), including any policy insuring against losses resulting from a default by a Debtor in respect of that Receivable.

Interest Collections means an amount determined in accordance with section 8.5 (“*Calculation of Interest Collections*”).

Interest Rate Swap has the meaning given to that term in section 3.7 (“*Derivatives Contracts*”).

Invested Amount means, on any date and in respect of a Note, an amount equal to:

- (a) the Initial Invested Amount of that Note; less

- (b) the aggregate of the principal payments made on or before that date in relation to that Note.

Issue Date means, in relation to a Class of Notes, the date notified as such by the Manager to FirstMac pursuant to the Dealer Agreement.

IWT has the meaning given to that term in section 11.1 (“*Interest Withholding Tax (“IWT”)*”).

Joint Lead Manager means each of ANZ and Macquarie Bank Limited.

Land means:

- (a) land (including tenements and hereditaments corporeal and incorporeal and every estate and interest in it whether vested or contingent, freehold or Crown leasehold, the terms of which lease is expressed to expire not earlier than five years after the maturity of the relevant Mortgage, and whether at law or in equity) wherever situated and including any fixtures to land; and
- (b) any parcel and any lot, common property and land comprising a parcel within the meaning of the Strata Schemes (Freehold Development) Act 1973 (New South Wales) or the Community Land Development Act 1989 (New South Wales) or any equivalent legislation in any other Australian jurisdiction.

Limit has the meaning given to that term in section 14 (“*Receivables Parameters*”).

Liquid Authorised Investments means the following for the purposes of the Trust:

- (a) cash;
- (b)
 - (i) stock, bonds, notes or other securities issued by;
 - (ii) securities, deposits or loans secured or guaranteed by; or
 - (iii) deposits or loans secured upon stock, bonds, notes or other securities issued or guaranteed by,

the Commonwealth of Australia or any State or Territory of the Commonwealth of Australia and which investments have a Required Credit Rating at the time of the acquisition of such investments by FirstMac;

- (c) certificates of deposit, commercial paper or any other debt security which has a Required Credit Rating or which is issued by a person which is an Approved Corporation at the time the relevant security is acquired, rated by Standard & Poor’s and Fitch Ratings at AAA and Moody’s at Aaa for maturities exceeding 365 days, or A-1+ by Standard & Poor’s, F1+ by Fitch Ratings and P-1 by Moody’s for maturities less than 365 days;

- (d) deposits with, or purchase of bills of exchange, promissory notes, certificates of deposit or other negotiable instruments accepted, drawn or endorsed by, an Approved Corporation at the time of the deposit, loan or purchase, rated by Standard & Poor's and Fitch at AAA and Moody's at Aaa for maturities exceeding 365 days, or A-1+ by Standard & Poor's, F1+ by Fitch Ratings and P-1 by Moody's for maturities less than 365 days;
- (e) deposits with, certificates of deposits or securities issued by, or bills of exchange, promissory notes, commercial paper or other negotiable instruments, accepted, drawn or endorsed by, a bank or financial institution rated by Standard & Poor's and Fitch Ratings at AAA and Moody's at Aaa for maturities exceeding 365 days, or A-1+ by Standard & Poor's, F1+ by Fitch Ratings and P-1 by Moody's for maturities less than 365 days; and
- (f) investments in certain short-term debt of issuers rated by Standard & Poor's at A-1, by Fitch Ratings at F1 and Moody's at P-1 with certain restrictions. Each investment should not mature beyond 30 days.

Such investments should:

- (a) be held in the name of FirstMac;
- (b) mature in time for the Security Trustee or Manager (as the case may be) to meet all obligations of FirstMac as and when they fall due in a timely manner;
- (c) not have any significant non-credit risks, for instance securities with the 'r' symbol attached to the rating and all mortgage-backed securities should not be included as eligible investments unless reviewed by Standard & Poor's before their inclusion;
- (d) have a predetermined fixed-dollar amount of principal due at maturity that cannot vary or change; and
- (e) have interest tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with that index.

Liquidation Loss means, in respect of a Housing Loan:

- (a) the amount payable by the borrower under that Housing Loan together with all expenses relating to enforcement of that Housing Loan and the Related Security; less
- (b) the sum of:
 - (i) the amount realised by FirstMac on enforcement of the Housing Loan and the Related Security;
 - (ii) any amount received in respect of the Housing Loan and the Related Security under any Insurance Policy; and

- (iii) the amount received by FirstMac from the Manager, Originator or Servicer in respect of a breach of a representation, warranty or covenant in respect of that Housing Loan or under an indemnity.

Liquidity Shortfall has the meaning given in section 8.8 (*"Liquidity Shortfall"*).

LMI has the meaning given to that term in section 7.5 (*"Insurance Policies and Mortgage Insurers"*).

Loan Agreement means the document or documents which evidence the obligation of a Debtor to repay amounts owing under a Receivable and to comply with the other terms of that Receivable.

LVR has the meaning given to that term in section 14 (*"Receivables Parameters"*).

Macquarie Bank has the meaning given to that term on page 2.

Manager has the meaning given to that term on page 2.

Manager Termination Event has the meaning given to that term in section 9.7 (*"The Manager"*).

Margin means the rate percentage per annum determined on the Pricing Date and inscribed on the Register as the margin applicable to that Class of Notes. If the Class A Notes are not redeemed on the first Call Date, then with effect from that Call Date, the Margin in respect of the Class A Notes will double.

Master Definitions Schedule has the meaning given to that term in section 13.1 (*"Master Trust Documents"*).

Master Management Deed has the meaning given to that term in section 13.1 (*"Master Trust Documents"*).

Master Servicer Deed has the meaning given to that term in section 13.1 (*"Master Trust Documents"*).

Master Origination Deed has the meaning given to that term in section 13.1 (*"Master Trust Documents"*).

Master Trust and Security Trust Deed has the meaning given to that term in section 13.1 (*"Master Trust Documents"*).

Monthly Expenses means in respect of a Payment Period the aggregate of the priority payments in paragraphs (a) to (z) inclusive of section 8.11 (*"Distribution of Total Interest Collections"*).

Moody's means Moody's Investor Services, Inc. or its subsidiaries.

Mortgage means in respect of a Receivable, each registered mortgage over Land and the improvements on it, securing, amongst other things, payment of interest and the repayment of principal and all other moneys in respect of the Receivable.

Mortgage Insurer means GE Mortgage Insurance Pty Ltd, GE Capital Mortgage Insurance Corporation (Australia) Pty Ltd, PMI Mortgage Insurance Ltd or PMI Indemnity Limited.

Mortgage Sale Agreement means an agreement of the same name entered into in accordance with clause 11.1 ("*Acquisition of Receivables*") of the Master Trust and Security Trust Deed pursuant to which FirstMac may acquire Receivables from FirstMac Debt Securities.

Nomination Deed means the deed entitled "Deed of Nomination" dated 12 April 2003.

Nominee Company means Firstmac Assets Pty Limited (ACN 104 268 224) and its relevant subsidiaries.

Notes means a Class A Note, a Class AB Note, a Class B Note or a FastPay Note, as the context requires.

Notice of Creation means the notice issued under the Master Trust and Security Trust Deed dated 23 February 2007 in connection with the establishment of the Series.

Notice of Creation of Trust means the notice issued by FirstMac pursuant to clause 2.1 of the Master Trust and Security Trust Deed dated 13 December 2006.

Originator means FirstMac Limited and First Mortgage Company Pty Limited.

Originator Termination Event means an event as described in clause 10.1 ("*Termination Events*") of the Master Origination Deed.

Other Income means, on a Determination Date any interest received on Authorised Investments or on the Collection Account during the immediately preceding Collection Period and any other miscellaneous income received or expected to be received by FirstMac on or before the immediately following Payment Date.

Other Series means a Series (as that term is defined in the Masters Definitions Schedule) other than the Series 1-2007.

Outstanding Amount means, in relation to a Receivable, the principal outstanding in respect of that Receivable calculated in accordance with the terms of the relevant loan agreement.

Payment Date means:

- (a) the 21st day of each month or if the 21st day is not a Business Day, then the immediately following Business Day; and
- (b) the Final Maturity Date.

Payment Period means the period commencing on (and including) a Payment Date and ending on (but excluding) the next Payment Date. The first Payment Period in respect of a Note will be the period commencing on (and including) the Issue Date of that Note and ending on (but excluding) the First Payment Date. The last Payment Period in respect of a Note will be the period commencing on (and including) the Payment Date immediately preceding the Final Maturity Date and ending on (but excluding) the Final Maturity Date.

Perpetual has the meaning given to that term on page 2.

Permitted Encumbrance means any Encumbrance over any Receivable or Related Security, which will be released on the relevant Closing Date.

PMI has the meaning given to that term in section 7.5 (*“Insurance Policies and Mortgage Insurers”*).

PMII has the meaning given to that term in section 7.5 (*“Insurance Policies and Mortgage Insurers”*).

Posted means, in respect of any interest, fees and charges in respect of a Receivable that such any interest, fees and charges have accrued on such Receivable and have been added to the account of the borrower and which remain unpaid by the borrower.

Prefunded Amount means the amount deposited into the Pre-funding Account on the Closing Date as described in section 2.4 (*“Prefunding”*).

Pre-funding Account has the meaning given to it in section 2.4 (*“Prefunding”*).

Pre-funding Period means the period from and including the Closing Date, to and including the last day of the Collection Period which immediately precedes the Payment Date falling in May 2007.

Preparation Date has the meaning given to that term in section 1.2 (*“Responsibility for Information Contained in Information Memorandum”*).

Pricing Date means the date notified by the Manager to FirstMac pursuant to the Dealer Agreement.

Principal Amount, with respect to a Note, means the initial principal amount of that Note as inscribed in the Register.

Principal Collections means an amount determined in accordance with section 8.6 (*“Calculation of Principal Collections”*).

Principal Draw has meaning given in section 8.9 (*“Principal Draw”*).

Principal Repayment Fund means, for a Collection Period, the aggregate of:

- (a) all Principal Collections for that Collection Period;

- (b) all amounts allocated to the Principal Repayment Fund to reimburse Class A Charge-Offs, Class AB Charge-Offs, Class B Charge-Offs or FastPay Charge-Offs (as the case may be) pursuant to section 8.11 (“*Distribution of Total Interest Collections*”) on the Payment Date immediately following the end of that Collection Period;
- (c) all amounts allocated to the Principal Repayment Fund to reimburse Carryover Class A Charge-Offs, Carryover Class AB Charge-Offs, Carryover Class B Charge-Offs or FastPay Charge-Offs (as the case may be) pursuant to section 8.11 (“*Distribution of Total Interest Collections*”) on the Payment Date immediately following the end of that Collection Period;
- (d) for the Collection Period ending immediately prior to the end of the Pre-funding Period, the amount standing to the credit of the Pre-funding Account immediately after the end of that Collection Period;
- (e) the amount (if any) allocated to Principal Collections in reimbursement of any outstanding Principal Draw under section 8.11(p) (“*Distribution of Total Interest Collections*”); and
- (f) the proceeds from the realisation of any Liquid Authorised Investments during that Collection Period, to the extent that the Liquid Authorised Investments are not required for the purposes of the Required Authorised Investment Liquidity Amount as at the Payment Date immediately following the end of that Collection Period.

Purchase Price has, in respect of Receivables proposed to be disposed or acquired by FirstMac, the meaning given to such in the Sale Notice, the Receivables Acquisition and Servicing Agreement or any other agreement evidencing the offer for sale of Receivables.

Rate of Interest means, in respect of a Payment Period for all Notes, a rate equal to the aggregate of the Bank Bill Rate for that Payment Period plus the Relevant Margin.

Receivable means the right, title and interest in, to and under any asset, including, without limitation, under:

- (a) a Housing Loan, secured line of credit or other secured revolving facility, commercial loan, personal loan, credit card receivables and other receivables or any other form of monetary obligation; or
- (b) Related Securities and other rights in respect of such an asset.

Receivables Parameters means, in respect of a Series, the parameters set out in the Schedules to the Supplementary Terms Notice for that Series.

Receivables Transfer Statement means a statement by FirstMac substantially in the form of Schedule 3 to the Master Trust and Security Trust Deed.

Redesignation means the redesignation by FirstMac (in its capacity as trustee of the trusts) of a Receivable from being designated as a Receivable of one Trust or Series, to

being designated as a Receivable of a different Trust or Series pursuant to the Master Trust and Security Trust Deed.

Redraws means a request made by a Debtor under the terms of a Receivable for payment to that Debtor of amounts which that Debtor has repaid under the terms of its Receivable.

Register means the Register of Holders in respect of the Series maintained by the Registrar pursuant to the Master Trust and Security Trust Deed and the Supplementary Terms Notice.

Registrar has the meaning given to that term on page 2.

Registrar's Account means the account from time to time notified by the Registrar to FirstMac as the account in which amounts payable to Holders should be deposited.

Related Security means, in respect of a Receivable:

(a) any:

(i) Mortgage;

(ii) Insurance Policy;

(iii) Security Interest;

(iv) guarantee, indemnity or other assurance; or

(v) asset,

which, in either case, secures or otherwise provides for the repayment or payment of the amount owing under the Receivable; or

(b) any Insurance Policy (where it is not a Support Facility) (both present and future) in respect of the Receivable.

Relevant Day has the meaning given to that term in section 14 ("*Receivables Parameters*").

Relevant Interest Rate means the rate determined by the Manager from time to time as the interest rate for each Receivable.

Relevant Margin means:

(a) in the case of Class A Notes, the Class A Margin;

(b) in the case of Class AB Notes, the Class AB Margin;

(c) in the case of Class B Notes, the Class B Margin; or

- (d) in the case of FastPay Notes, the FastPay Margin, provided that if any FastPay Notes are not redeemed on or before the FastPay Stepup Date, then with effect from the FastPay Stepup Date, the Relevant Margin for the FastPay Notes will increase by the relevant Stepup Margin.

Relevant Parties means each of the Manager, the Originator, the FirstSub, the Servicer, the Security Trustee, each Seller, the Custodian, the Registrar, the Standby Servicer and the Standby Trustee, as the context requires.

Relevant Series means a Series (as that term is defined under the Master Definitions Schedule).

Relevant Trust means a Trust (as that term is defined under the Master Definitions Schedule).

Representative Amount means an amount that is representative for a single transaction in the relevant market at the relevant time.

Reporting Statement means a statement containing the information set out in clause 7.3 (“*Reporting Statement*”) of the Supplementary Terms Notice.

Required Authorised Investment Liquidity Amount means, at any time, an amount of Liquid Authorised Investments equal to 0.50% of the aggregate Invested Amount of all Notes at the relevant time or such lesser amount as agreed with the Current Rating Agencies from time to time.

Required Credit Rating means A-1+ by Standard & Poor’s, F1+ by Fitch Ratings and P-1 by Moody’s.

Required Payments means in respect of a Payment Period the aggregate of priority payments in paragraphs (a) to (o) inclusive of section 8.11 (“*Distribution of Total Interest Collections*”).

Residual Capital Unit means each unit issued by FirstMac to the Residual Capital Unitholder in accordance with the terms of the Trust.

Residual Capital Unitholder means each holder of a Residual Capital Unit in accordance with the Transaction Documents.

Residual Income Unit means the unit issued by FirstMac to the Residual Income Unitholder in accordance with the terms of the Trust.

Residual Income Unitholder means the holder of a Residual Income Unit in accordance with the Transaction Documents.

Resolution means:

- (a) a resolution passed at a meeting:
 - (i) on a show of hands, by the required majority or percentage, as the case may be, of persons present and voting, in person or by proxy; or
 - (ii) if a poll is duly demanded, by the persons holding the required majority of the Secured Moneys (in the case of a meeting of Beneficiaries) or percentage of the amount outstanding under the Notes (in the case of a meeting of Holders); or
- (b) where the law allows, a resolution in writing signed by persons holding the required majority of the Secured Moneys (in the case of a meeting of Beneficiaries) or percentage of Holders (in the case of a meeting of Holders).

RMBS has the meaning given to that term in section 10.1 (*“Background to First Mortgage Company in Australia”*).

Sale Deed means the deed entitled “Sale Deed” dated on or about the date of the Supplementary Terms Notice between HSBC Bank , FirstMac and the Manager.

Sale Notice means, in respect of the Series, a notice issued by a Seller in accordance with the Master Trust and Security Trust Deed or Mortgage Sale Agreement, as the case may be.

Securitisation Deed means the deed entitled “Securitisation Deed” dated 12 April 2003.

Secured Creditor has the meaning given to that term in section 3.8 (*“Security”*).

Secured Money means all amounts which at any time for any reason or circumstance in connection with any Transaction Document that relates to, or applies to, the Series or the Deed of Charge or any transactions contemplated by any of them (insofar as such transactions relate to, or apply to, the Series), whatsoever whether at law, in equity, under statute or otherwise:

- (a) are payable, are owing but not currently payable, are contingently owing, or remain unpaid by FirstMac to the Security Trustee on its own account or for the account of the Secured Creditors or to any Secured Creditor or to any Receiver; or
- (b) have been advanced or paid by the Security Trustee on its own account or for the account of the Secured Creditors or by any Secured Creditor:
 - (i) at the express request of FirstMac; and
 - (ii) on behalf of FirstMac; or
- (c) which the Security Trustee on its own account or for the account of the Secured Creditors or any Secured Creditor is liable to pay by reason of any act or omission of FirstMac or has paid or advanced in the protection or maintenance of the

Secured Property or the security interest created by the Deed of Charge following an act or omission by FirstMac; or

- (d) are reasonably foreseeable as likely, after that time, to fall within any of paragraphs (a), (b) or (c) above.

This definition applies:

- (i) irrespective of the capacity in which FirstMac, the Security Trustee or any Secured Creditor became entitled or is liable in respect of the amount concerned;
- (ii) whether FirstMac, the Security Trustee or any Secured Creditor is liable as principal debtor or surety or otherwise;
- (iii) whether FirstMac is liable alone or jointly, or jointly and severally with another person;
- (iv) whether the Security Trustee or any Secured Creditor is the original obligee or an assignee or a transferee of the Secured Money and whether or not:
 - (A) the assignment or transfer took place before or after the delivery of the Master Definitions Schedule; or
 - (B) FirstMac consented to or was aware of the assignment or transfer; or
 - (C) the assigned or transferred obligation was secured; or
- (v) whether the Security Trustee or any Secured Creditor is the original Security Trustee or an original Secured Creditor or an assignee or a transferee of the original Security Trustee or an original Secured Creditor, and whether or not FirstMac consented to or was aware of the assignment or transfer.

Secured Property means all present and future Assets of the Series held by FirstMac on the terms of the Series in accordance with the Master Trust and Security Trust Deed and the Supplementary Terms Notice.

Securities Act has the meaning given to that term in section 1.12 (“*Rating Agencies*”).

Security Interest means any bill of sale (as defined in any statute), mortgage, charge, letter of credit, lien, pledge, hypothecation, title retention arrangement, trust or power, as or in effect as security for the payment of a monetary obligation or the observance of any other obligation.

Security Trust means the “FirstMac Mortgage Funding Trust Series 1-2007 Security Trust” constituted under the Master Trust and Security Trust Deed and the Notice of Creation.

Security Trustee has the meaning given to that term on page 2.

Self Certified Loans has the meaning given to that term in section 7.4 (*"Housing Loans, including Self Certified Loans and Easy Doc Loans"*).

Seller has the meaning set out in the Master Definition Schedule, FirstMac Fiduciary Services Pty Limited in its capacity as trustee of each Relevant Trust and in respect of each Relevant Series

Servicer has the meaning given to that term on page 2.

Servicer Termination Event has the meaning given to that term in section 9.8 (*"The Servicer"*).

Series means the Series 1-2007.

Servicing Procedures means, from time to time, the then current policies and procedures of the Servicer and FirstMac in relation to the servicing of Receivables.

Shortfall Adjustment means, if the amount in paragraph (a)(i) less the amounts in paragraphs (b), (c) and (d) of the definition of Principal Collections is a negative amount, the absolute value of that amount, otherwise zero.

Standard & Poor's means Standard & Poor's (Australia) Pty Limited.

Standby Trustee has the meaning given to that term on page 2.

Stated Amount means the Class A Stated Amount, the Class AB Stated Amount, the Class B Stated Amount or the FastPay Stated Amount, as the context requires.

Statutory Authority has the meaning given to that term in section 7.5 (*"Insurance Policies and Mortgage Insurers"*).

Stepup Margin means 0.25% with respect to FastPay Notes that are not redeemed on or prior to the FastPay Stepup Date for those FastPay Notes.

Supplementary Terms Notice has the meaning given to that term in section 13.2 (*"FirstMac Mortgage Funding Trust Series 1-2007 Documents"*).

Support Facilities means the agreements or arrangements (the terms of any such agreements or arrangements must be affirmed by the Rating Agencies) entered into by FirstMac with the Support Facility Provider to fund Further Advances or Redraws where there are insufficient Principal Collections on any particular day.

Support Facility Provider means any support facility provider to the Series.

Tax Amount means, in respect of a Payment Period, the amount (if any) of Tax that the Manager reasonably determines will be payable in the future by FirstMac in respect of the Series and which accrued during that Payment Period.

Tax Shortfall means, in respect of a Payment Period, the amount (if any) determined by the Manager to be the shortfall between the aggregate Tax Amounts set aside under clause 16.3(b) (“*Tax liabilities*”) of the Supplementary Terms Notice and the Tax due and payable by FirstMac.

Taxation Administration Act has the meaning given to that term in section 11.2(h) (“*Other withholding taxes on payments in respect of Notes*”).

TFN has the meaning given to that term in section 11.2(h) (“*Other withholding taxes on payments in respect of Notes*”).

Threshold Amount means the total amount required to pay all Monthly Expenses (taking into account the commercial rates that would apply if the Manager, Servicer or FirstMac, as the case may be, were replaced by unrelated third parties) on each Payment Date as calculated by the Manager.

Threshold Rate means 0.25% plus the minimum rates required to be set on the Receivables which will ensure that FirstMac has sufficient funds (from Collections on such Receivables as well as any net amounts due to it under Derivative Contracts) available to meet its obligations, including payment of the Threshold Amount, under the Transaction Documents (assuming that all parties comply with their obligations under such documents and such Receivables) and taking into account Receivables where the Servicer does not have the discretion under the related Loan Agreement to vary the interest rate of that Receivable and moneys held in Authorised Investments.

Timely Payment Cover means amounts paid or to be paid by an insurer under an Insurance Policy in respect of scheduled instalments which are not paid when due for payment.

Title Documents means the documents of title and other supporting documents with respect to that Housing Loan including, without limitation:

- (a) the mortgage cover sheet and any schedule or annexure to it; and
- (b) the Loan Agreement;
- (c) any guarantee in respect of the borrower’s obligations under the Loan Agreement;
- (d) any acknowledgment that the obligations of the borrower under the Loan Agreement or a guarantor under the guarantee are secured under the Housing Loan;
- (e) the certificate of title or its equivalent (if issued) to the property over which the Housing Loan is taken;
- (f) a copy of the solicitor’s certificate given in respect of the Housing Loan;
- (g) if applicable, a copy of all Insurance Policies or evidence of the currency or existence of such Insurance Policies required in relation to the Housing Loan; and

- (h) such other originals or copies of documents relating to the Housing Loan as may have been entered into or prepared and which evidence the obligations of the borrower, mortgagor or guarantor in respect of the Housing Loan, or the interest of FirstMac in respect of the Housing Loan.

Title Perfection Event means, in respect of a Series:

- (a) the occurrence of an Insolvency Event in respect of a Seller;
- (b) a Seller or Servicer of that Series fails to pay Collections in accordance with the Master Trust and Security Trust Deed within three Business Days of the due date for payment (except where the Current Rating Agencies (if any) agree that the event is not a “Title Perfection Event”);
- (c) in respect of Receivables which are originated by an Originator, the occurrence of an Originator Termination Event in respect of that Originator or FirstSub as the case may be.

Total Interest Collections means, on a Determination Date, the amount calculated in accordance with section 8.10 (“*Calculation and application of Total Interest Collections*”) on that Determination Date.

Transaction Document means:

- (a) the Master Trust and Security Trust Deed (insofar as it relates to the Series);
- (b) the Master Definitions Schedule (insofar as it relates to the Series);
- (c) the Notice of Creation of Trust in respect of the Trust;
- (d) the Supplementary Terms Notice;
- (e) the Master Servicer Deed (insofar as it relates to the Series);
- (f) the Master Management Deed (insofar as it relates to the Series);
- (g) the Deed of Charge;
- (h) any Derivative Contract;
- (i) the Master Origination Deed (insofar as it relates to the Series);
- (j) the Support Facilities;
- (k) any Security Interest or guarantee to be given by a Nominee Company in favour of the Security Trustee; and
- (l) any Security Interest or guarantee to be given by an Originator or FirstSub in favour of the Security Trustee.

Transition Period End Date has the meaning given to that term under the Sale Deed.

Transitional Services Agreement means the agreement “Transitional Services Agreement between HSBC Bank , FirstMac and the Manager.

Trust means the FirstMac Mortgage Funding Trust Series 1-2007 .

Trustee Termination Event has the meaning given to that term in section 9.5 (“*FirstMac as trustee*”).

Unpaid Interest means, on any day, any amount of interest due to the Holder of a Note which is not paid in full on the date when it is due and payable, together with interest on that amount calculated at the aggregate of the Bank Bill Rate and the Relevant Margin in respect of that Note from the date on which the amount of interest fell due for payment until the day on which it is actually paid in full in accordance with the Supplementary Terms Notice.

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Servicer and Originator

First Mortgage Company Pty Limited

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Joint Lead Manager and Dealer

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Dealer

HSBC Bank plc

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Security Trustee

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Custodian and Standby Servicer

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