



FIRSTMAC MORTGAGE FUNDING TRUST SERIES 3-2012

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

\$440,000,000

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

\$331,800,000

**Class A-1 Mortgage Backed Pass-
Through Floating Rate Notes
Due December 2043**

Expected Rating
"AAA(sf)" by Standard & Poor's
"AAAAsf" by Fitch Ratings

\$73,000,000

**Class A-2 Mortgage Backed Fixed
Rate Notes
Due December 2043**

Expected Rating
"AAA(sf)" by Standard & Poor's
"AAAAsf" by Fitch Ratings

\$18,500,000

**Class AB Mortgage
Backed Pass-Through
Floating Rate Notes
Due December 2043**

Expected Rating
"AAA(sf)" by Standard & Poor's
"AAAAsf" by Fitch Ratings

\$14,500,000

**Class B-1 Mortgage
Backed Pass-Through
Floating Rate Notes
Due December 2043**

Expected Rating
"AA-(sf)" by Standard & Poor's

\$2,200,000

**Class B-2 Mortgage
Backed Pass-Through
Floating Rate Notes
Due December 2043**

Expected Rating
"AA-(sf)" by Standard & Poor's

Arranger, Joint Lead Manager and Joint Book-Runner



Australia and New Zealand Banking Group Limited

(ABN 11 005 357 522)

(AFSL 234527)

Joint Lead Manager and Joint Book-Runner



Westpac Banking Corporation

(ABN 33 007 457 141)

(AFSL 233714)

17 December 2012

THE NOTES ARE NOT LIABILITIES OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED or WESTPAC BANKING CORPORATION.

THE 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 3-2012 (“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”, “JOINT BOOK-RUNNER” AND “COUNTERPARTY”) OR WESTPAC BANKING CORPORATION (ABN 33 007 457 141) (“WESTPAC”, “JOINT LEAD MANAGER” AND “JOINT BOOK-RUNNER”) OR ANY ASSOCIATE OF WESTPAC (IN EACH CASE, ACTING IN ANY CAPACITY), INCLUDING WESTPAC IN ITS CAPACITY AS A JOINT LEAD MANAGER AND A JOINT BOOK-RUNNER, OR ANY ASSOCIATE OF ANZ (IN EACH CASE, ACTING IN ANY CAPACITY), INCLUDING ANZ IN ITS CAPACITY AS ARRANGER, A JOINT LEAD MANAGER, A JOINT BOOK-RUNNER AND A COUNTERPARTY, NOR DO ANY OTHER MEMBER OF THE ANZ GROUP OR THE WESTPAC GROUP GUARANTEE IN ANY WAY ANY RETURN ON THE NOTES, ANY PARTICULAR RATE OF RETURN 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 “**Servicer**”), First Mortgage Company Pty Limited (ABN 37 099 125 318) (each a “**FirstMac Originator**”), HSBC Bank Australia Limited (ABN 48 006 434 162) (the “**HSBC Seller**”), FirstMac, the Registrar, ANZ, Westpac, P.T. Limited (ABN 67 004 454 666) (“**Security Trustee**”), Perpetual Trustee Company Limited (ABN 42 000 001 007) (“**Standby Servicer**” and a “**Custodian**”), Permanent Custodians Limited (ACN 001 426 384) (a “**Custodian**”), Perpetual Corporate Trust Limited (ABN 99 000 341 533) (“**Standby Trustee**”), or any Counterparty, or any associate of any of them, nor any other member of, the ANZ Group, the Westpac Group guarantee in any way any return on the Notes, any particular rate of return or the 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 FirstMac, the Registrar, the Servicer, the Manager, the Originators, the Arranger, the Joint Lead Managers, the Joint Book-Runners, the Security Trustee, each Custodian, the Standby Servicer, the Standby Trustee, 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.

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*”).

None of the obligations of FirstMac are guaranteed in any way by any member of the ANZ Group or any member of the Westpac Group.

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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 3-2012 in respect of which FirstMac Fiduciary Services Pty Limited (ABN 60 105 052 515) 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 (other than the FastPay 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 17 December 2012 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 any 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 and each Joint Book-Runner, the Counterparty, each Originator, the Servicer, the Manager, the Security Trustee, the Standby Trustee, the Standby Servicer, each Custodian, the Registrar or any other party named in this Information Memorandum.

The Arranger, each Joint Lead Manager and each Joint Book-Runner has confirmed the accuracy of their names and addresses in the Directory of this Information Memorandum, but none of the Arranger, the Joint Lead Managers or the Joint Book-Runners have authorised or caused the issue of any other part of this Information Memorandum, and none of the Arranger, the Joint Lead Managers or the Joint Book-Runners have conducted any due diligence or otherwise independently verified any of the information contained in this Information Memorandum. Accordingly, the Arranger, the Joint Lead Managers and the Joint Book-Runners 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 the Arranger, the Joint Lead Managers and the Joint Book-Runners make any statement in this Information Memorandum and none of them have authorised or caused the issue of it.

The Security Trustee, each Custodian, the Registrar, the Standby Servicer, the Standby Trustee and the Counterparty 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, each Custodian, the Registrar, the Standby Servicer, Standby Trustee and the Counterparty expressly disclaim and take no responsibility for any other part of this Information Memorandum. The Security Trustee, each Custodian, the Registrar, the Standby Servicer, the Standby Trustee and the Counterparty 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 Joint Book-Runner, the Counterparty, the Servicer, the Manager, the Security Trustee, the Standby Trustee, each Custodian, the Standby Servicer or the Registrar.

1.5 Disclosure

The Arranger, each Joint Book-Runner, each Joint Lead Manager and the Counterparty discloses that in addition to the arrangements and interests it will or may have with respect to any other party including without limitation the Manager, the Servicer, FirstMac, each FirstMac Originator and each Custodian (together, the **“Group”**) as described in this Information Memorandum (the **“Transaction Document Interests”**) it, its Related Entities (as such term is defined in the Corporations Act) (the **“Related Entities”**), directors, officers and employees:

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

(the **“Note Interests”**).

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

- (i) each party and each of their Related Entities, directors, officers and employees (each a **“Relevant Entity”**) will have the Transaction Document

Interests and may from time to time have the Note Interests and is, and from time to time may be, involved in a broad range of transactions including, without limitation, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research (the “**Other Transactions**”) in various capacities in respect of any member of the Group or any other person, both on the Relevant Entity’s own account and for the account of other persons (the “**Other Transaction Interests**”);

- (ii) each Relevant Entity in the course of its business (whether with respect to the Transaction Document Interests, Note Interests, the Other Transaction Interests or otherwise) may act independently of any other Relevant Entity;
- (iii) to the maximum extent permitted by applicable law, the duties of each Relevant Entity in respect of any member of the Group and the Notes are limited to the contractual obligations of the parties to the relevant members of the Group as set out in the Transaction Documents and, in particular, no advisory or fiduciary duty (except in the case of FirstMac in respect of the Trust and the Security Trustee in respect of the Security Trust) is owed to any person;
- (iv) a Relevant Entity may have or come into possession of information not contained in this Information Memorandum that may be relevant to any decision by a potential investor to acquire the Notes and which may or may not be publicly available to potential investors (“**Relevant Information**”);
- (v) to the maximum extent permitted by applicable law but subject to the Transaction Documents, no Relevant Entity is under any obligation to disclose any Relevant Information to any member of the Group or to any potential investor and this Information Memorandum and any subsequent conduct by a Relevant Entity should not be construed as implying that the Relevant Entity is not in possession of such Relevant Information; and
- (vi) each Relevant Entity may have various potential and actual conflicts of interest arising in the course of its business, including in respect of the Transaction Document Interests, interests under any Notes or the Other Transaction Interests. For example, the exercise of rights against a member of the Group arising from the Transaction Document Interests (for example, by a lead manager) or from an Other Transaction may affect the ability of the Group member to perform its obligations in respect of the Notes. In addition, the existence of a Transaction Document Interest or Other Transaction Interest may affect how a Relevant Entity in another capacity (for example, as a Holder of Notes) may seek to exercise any rights it may have in that capacity. These interests may conflict with the interests of the Group or a Holder of Notes, and the Group or a Holder of Notes may suffer loss as a result. To the maximum extent permitted by applicable law, a Relevant Entity is not restricted from entering into, performing or enforcing its rights in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests and may otherwise continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Holders of Notes or the Group, and the Relevant Entities may in so doing act without notice to, and without regard to, the interests of any such person.

1.6 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, the Transaction Documents should be regarded as containing the definitive information. With the approval of the Manager, a copy of certain 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 a Current Rating Agency in respect of the Notes (including announcements 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 its 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 minimum aggregate consideration payable on each transfer of Notes within Australia must 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.

This Information Memorandum is distributed in Australia by the Joint Lead Managers for use by “Wholesale Clients” as defined in s 761G of the Australian Corporations Act 2001. This Information Memorandum may not otherwise be released, issued or distributed to the public.

No prospectus or other disclosure document in relation to the Notes has been or will be lodged with ASIC or the ASX. No person shall:

- (a) 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) distribute or publish, this Information Memorandum or any other offering material or advertisement relating to the Notes in Australia,

unless:

- (i) the minimum aggregate consideration payable on each transfer of Notes within Australia is at least A\$500,000 (or its equivalent in an alternate currency) (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 or Part 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “retail client” under section 716G of the Corporations Act; and
- (iii) such action complies with all applicable laws, regulations or directives in Australia 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 all 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 some such 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 and Secured Creditor 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 Deed and the Supplementary Terms Notice. This limitation will not apply to any obligation or liability of FirstMac to the extent that the obligation or liability is not satisfied because, under the Master 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 9.9 (“*Limited Recourse and Limited Liability*”) for further information on FirstMac’s limited liability. In no case will the

assets of any other Trust or Other Series of the Trust be available to meet amounts owing to any Holder or Secured Creditor.

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 Security 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 or 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.

1.13 European Union Capital Requirements Directive - Securitisation Rules

The Capital Requirements Directive of the European Parliament (which comprises Directive 2006/48/EC and Directive 2006/49/EC) was amended by Directive 2009/111/EC to introduce new rules regarding investment and other forms of participation in securitisation transactions by European Union-regulated credit institutions on and after 1 January 2011 (the “**CRD2 Rules**”).

FirstMac Limited (as an originator of the mortgage loans to be securitised and included in the Series) proposes to hold, in accordance with Article 122a of the CRD2 Rules, a net economic interest in this securitisation transaction. As at the Closing Date, such interest will be comprised of the CRD2 Guarantee being equivalent to no less than 5% of the aggregate principal balance of the securitised exposures as a synthetic or contingent means of satisfying Article 122a paragraph (1) sub-paragraph (a). The Manager will include information in any reports provided to Holders of the Notes:

- (a) confirming FirstMac Limited’s continued retention of the interest described above; and
- (b) any change to the manner in which the interest will be comprised if there are exceptional circumstances which cause the manner in which the interest is held to change.

Each prospective investor that is required to comply with Article 122a of the CRD2 Rules (as implemented in each Member State of the European Economic Area) is required to independently assess and determine the sufficiency of the information described above and in this Information Memorandum generally for the purposes of complying with Article 122a and none of FirstMac Limited, FirstMac nor any other party to a Transaction Document makes any representation that the information described above or in this Information Memorandum is sufficient in all circumstances for such purposes. Prospective investors who are uncertain as to the requirements under Article 122a which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

See Section 4.34 (“*European Union Capital Requirements Directive - CRD2 Rules*”) for further details.

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 purposes 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 select marketing of the Notes (other than the FastPay Notes, the Class A-2R Notes and the Class B-2 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 (the “**Trust**”) in respect of the Series. The issue of Notes will comprise five initial tranches as set out in section 2.4 (“*The Notes*”). The proceeds from the issue of the Notes (other than the FastPay Notes and the Class A-2R Notes) will be used to fund:

- (a) the acquisition of Eligible Receivables from any Relevant Trust or Relevant Series; and
- (b) the acquisition of Liquid Authorised Investments.

FastPay Notes may be issued by FirstMac in certain circumstances as described in this Information Memorandum for the purposes of funding Redraws.

On the Class A-2 Refinancing Date, FirstMac may issue, or any existing Class A-2 Notes may convert into, Class A-2R Notes as discussed in section 5.2 (“*Class A-2R Notes*”).

FirstMac’s rights in respect of the above are collectively included in the “**Assets**” of the Series. The Assets will be charged to P.T. Limited (ABN 67 004 454 666) (“**Security Trustee**”) for the benefit of Holders as well as other Secured Creditors in accordance with the Master Trust Deed and the General Security Agreement.

2.2 The Assets of the Trust

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 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 Servicing

Under the Transaction Documents, FirstMac Limited (ABN 59 094 145 963) has been appointed as the Servicer in respect of the Series meaning that FirstMac Limited is liable for the obligations of the Servicer under the Transaction Documents.

2.4 The Notes

The initial issue of Notes will comprise five tranches of secured, mortgage-backed, pass-through securities. The Notes will comprise one tranche of Class A-1 Notes (“**Class A-1 Notes**”), one tranche of Class A-2 Notes (“**Class A-2 Notes**”), one tranche of Class AB Notes (“**Class AB Notes**”), one tranche of Class B-1 Notes (“**Class B-1 Notes**”) and one tranche of Class B-2 Notes (“**Class B-2 Notes**” and together with the Class B-1 Notes, the “**Class B Notes**”). On the Class A-2 Refinancing Date FirstMac may issue one tranche of Class A-2R Notes (“**Class A-2R Notes**” and together with the Class A-1 Notes and the Class A-2 Notes, the “**Class A Notes**”). The Class A-1 Notes, the Class A-2 Notes, and the Class AB Notes are expected, on issue, to be assigned an “AAA(sf)” rating by Standard & Poor’s (“**Standard & Poor’s**”) and an “AAAsf” rating by Fitch Ratings (“**Fitch Ratings**”). The Class B-1 Notes and the Class B-2 Notes are expected, on issue, to be assigned an “AA-(sf)” rating by Standard & Poor’s but will not be rated by Fitch Ratings.

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 the Class B Notes will not, in the Manager’s reasonable opinion, be adversely affected.

If the Manager is able to arrange for Class A-2R Notes to be issued by FirstMac on the Class A-2 Refinancing Date:

- (a) with an interest rate which results in a margin over the Bank Bill Rate that is less than 2%;
- (b) with the same credit rating from each Current Rating Agency as the Class A-2 Notes on the Class A-2 Refinancing Date;
- (c) with an aggregate Initial Invested Amount equal to the Invested Amount of the Class A-2 Notes on the Determination Date immediately prior to the Class A-2 Refinancing Date less the expected balance of the GIC Account (including any GIC Authorised Investments realised on or before the Class A-2 Refinancing Date) on the Class A-2 Refinancing Date; and

- (d) in accordance with the public offer test outlined in Section 128F of the Income Tax Assessment Act 1936,

the Manager will direct FirstMac to issue those Class A-2R Notes on the Class A-2 Refinancing Date. If the Manager is unable to arrange such issuance of Class A-2R Notes, and the balance of the GIC Account (including any GIC Authorised Investments realised on or before the Class A-2 Refinancing Date) on the Class A-2 Refinancing Date is insufficient to redeem the Class A-2 Notes in full on the Class A-2 Refinancing Date, each Class A-2 Note outstanding will with effect from the Class A-2 Refinancing Date be converted to a Class A-2R Note (after applying the balance of the GIC Account in reduction of the Invested Amount of such Class A-2 Notes). Such converted Class A-2R Note will be a Floating Rate Note and the Relevant Margin for each such converted Class A-2R Note on and from the Class A-2 Refinancing Date will be the Class A-2R Margin.

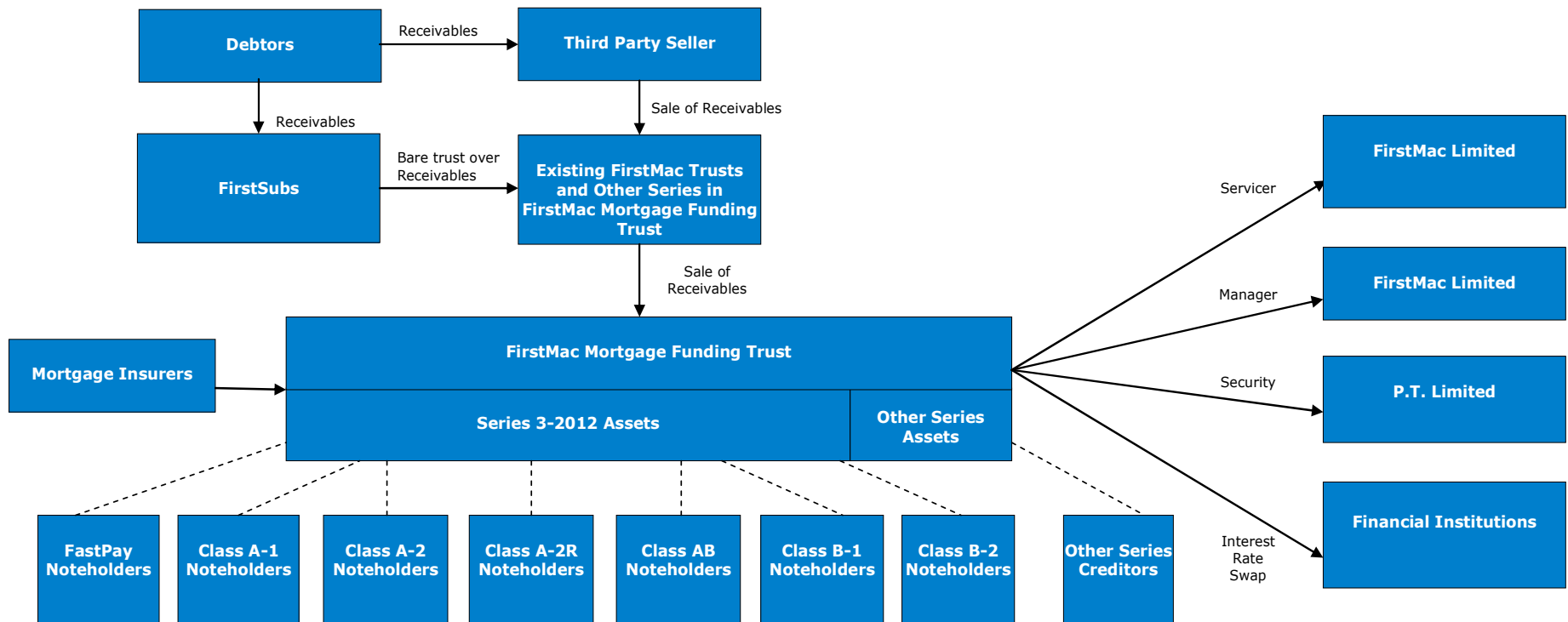
The Notes are all pass through securities. The Holders of all Notes will all have the benefit of the security under the Master Trust Deed and the General Security Agreement. Interest or returns on all Notes (other than the Class A-2 Notes) is payable monthly in arrears except in respect of the first Payment Period which will commence on (and include) the Issue Date of the Notes and end on (but exclude) the First Payment Date. Interest on the Class A-2 Notes is payable quarterly in arrears except in respect of the first Payment Period which will commence on (and include) the Issue Date of the Notes and end on (but exclude) the first Fixed Interest 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 and Liquidity 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.

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 and was 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 instruments and to apply the proceeds of those 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 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 Deed and an unlimited number of series in respect of any trust may be established under the Master Trust Deed. Each series is not a separate and distinct trust fund but rather a separate security structure enabling different 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 instruments to be issued in respect of that series. Multiple classes of 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 3-2012

Series 3-2012 is the twenty-first series established in respect of the FirstMac Mortgage Funding Trust.

The Series will be established under the Master Trust Deed, the Notice of Creation of Security Trust and the Supplementary Terms Notice.

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 Deed) and amends the Master 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 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

FirstMac, Trustee, Issuer and Registrar FirstMac Fiduciary Services Pty Limited (ABN 60 105 052 515) as trustee of the Trust in respect of Series 3-2012.

Trust FirstMac Mortgage Funding Trust.

<i>Series</i>	Series 3-2012
<i>Manager</i>	FirstMac Limited (ABN 59 094 145 963).
<i>Servicer</i>	FirstMac Limited (ABN 59 094 145 963).
<i>Originators</i>	FirstMac Limited (ABN 59 094 145 963) and First Mortgage Company Pty Limited (ABN 37 099 125 318) (each a “ FirstMac Originator ”) and HSBC Bank Australia Limited (ABN 48 006 434 162) (the “ HSBC Seller ”).
<i>Security Trustee</i>	P.T. Limited (ABN 67 004 454 666).
<i>Custodians</i>	Perpetual Trustee Company Limited (ABN 42 000 001 007) and Permanent Custodians Limited (ACN 001 426 384).
<i>Standby Servicer</i>	Perpetual Trustee Company Limited (ABN 42 000 001 007).
<i>Standby Trustee</i>	Perpetual Corporate Trust Limited (ABN 99 000 341 533).
<i>Counterparty</i>	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) in respect of the Interest Rate Swap and Fixed Rate Swap and Westpac Banking Corporation (ABN 33 007 457 141) in respect of the Class A-2 Note Fixed Swap or any other financial institution which the Manager determines, in its reasonable opinion, will not have an Adverse Rating Effect on the Notes.
<i>Arranger</i>	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (AFSL 234527)
<i>Joint Lead Managers</i>	Each of: <ul style="list-style-type: none">(a) Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (AFSL 234527); and(b) Westpac Banking Corporation (ABN 33 007 457 141) (AFSL 233714).
<i>Joint Book Runner</i>	Each of: <ul style="list-style-type: none">(a) Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (AFSL 234527); and(b) Westpac Banking Corporation (ABN 33 007 457 141) (AFSL 233714).
<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.

Current Rating Agency Standard & Poor's (Australia) Pty Ltd and Fitch Australia Pty Limited.

Initial Issue Size (excluding Class A-2R Notes) A\$440,000,000

3.4 Principal Characteristics of the Notes

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

- Class A-1 Notes;
- Class AB Notes;
- Class B-1 Notes; and
- Class B-2 Notes.

The issue will also comprise one tranche of secured mortgage backed fixed rate pass through security being the Class A-2 Notes.

On the Class A-2 Refinancing Date, FirstMac may also issue Class A-2R Notes for the purposes of redeeming the Class A-2 Notes on that date or if Class A-2R Notes cannot be issued to fully refinance the Class A-2 Notes (after taking into account the balance of the GIC Account (including any GIC Authorised Investments realised on or before the Class A-2 Refinancing Date)), the Class A-2 Notes will be converted into Class A-2R Notes. A detailed explanation of the issuance or conversion of Class A-2 Notes into Class A-2R Notes is provided in section 5.2 ("*Class A-2R 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 Relevant Margin as specified in the Manager's notice to FirstMac on or before that Payment Date.

The ranking of the Notes is described in section 5 ("*Description of the Notes*").

If the Invested Amount of any FastPay Note has not been reduced to zero by the FastPay Conversion Date, then that FastPay Note will at that time be treated in all respects as forming part of the then most senior Class of Notes (other than the FastPay Notes), for this purpose determined with reference to the allocation of payments in accordance with section 8.21 (“*Application of proceeds following an Event of Default*”) with effect from the Payment Date immediately following the FastPay Conversion Date and will cease to constitute a FastPay Note.

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

Currency

Australian Dollars or “A\$”.

Denomination

All Notes (other than Class A-2R Notes) will be issued in initial denominations of A\$10,000. Each Class A-2R Note will be issued with an initial denomination amount as set out on the face of that Class A-2R Note. The minimum aggregate consideration payable on each transfer of Notes within Australia must be A\$500,000 (or such other consideration agreed between the Manager and the Arranger provided that the relevant offer of Notes does not require disclosure to investors under Part 6D.2 or Part 7 of the Corporations Act).

Initial Invested Amount

The initial aggregate Invested Amount in respect of each Class of Notes (other than Class A-2R Notes and FastPay Notes) is as follows:

- Class A-1 Notes: A\$331,800,000;
- Class A-2 Notes: A\$73,000,000;
- Class AB Notes: A\$18,500,000;
- Class B-1 Notes: A\$14,500,000; and
- Class B-2 Notes: A\$2,200,000.

Principal repayments

Subject to there being sufficient funds for this purpose, repayments of principal or capital (as applicable) will be made on each Payment Date to each Holder then entitled to receive such payments.

A detailed explanation of the principal repayment methodology is provided in section 8.18 (“*Distribution of Principal Repayment Fund*”).

Interest

Subject to there being sufficient funds for this purpose:

- (a) interest due on the Class A Notes (other than the Class A-2 Notes) and FastPay Notes will be payable on the Payment Date occurring at the end of the Payment Period for that Note; and
- (b) interest due on the Class A-2 Notes will be payable on the Fixed Interest Payment Date occurring at the end of the quarterly Payment Period for Class A-2 Notes.

To the extent that funds are available:

- after the payment of interest due on:
 - each Payment Date, the Class A Notes (other than the Class A-2 Notes) and FastPay Notes for each Payment Period;
 - each Payment Date which is also a Fixed Interest Payment Date, interest due on the Class A-2 Notes for each Payment Period,interest due on the Class AB Notes will be payable;
- after the payment of interest due on the Class A Notes, FastPay Notes, and the payment of interest due on the Class AB Notes for each Payment Period, interest due on the Class B-1 Notes (other than any Residual Class B-1 Interest) will be payable;
- after the payment of interest due on the Class A Notes and FastPay Notes for each Payment Period, the payment of interest due on the Class AB Notes and the Class B-1 Notes (other than any Residual Class B-1 Interest) for each Payment Period, returns due on the Class B-2 Notes (other than any Residual Class B-2 Return) will be payable;
- after the payment of interest due on the Class A Notes and FastPay Notes for each Payment Period, the payment of interest due on the Class AB Notes and the Class B-1 Notes (other than any Residual Class B-1 Interest) and the return due on the Class B-2 Notes (other than any Residual Class B-2 Return) for each Payment Period, Residual Class B-1 Interest due on the Class B-1 Notes will be payable to the Class B-1 Note Holders; and
- after the payment of interest due on the Class A Notes and FastPay Notes for each Payment Period, the payment of interest due on the Class AB Notes and the Class B-1 Notes (other than any Residual Class B-1 Interest) and the return due on the Class B-2 Notes (other than any Residual Class B-2

Return) for each Payment Period, and the payment of Residual Class B-1 Interest due on the Class B-1 Notes for each Payment Period, Residual Class B-2 Return due on the Class B-2 Notes will be payable to the Class B-2 Note Holders,

on the Payment Date occurring at the end of that Payment Period.

Interest for the Class A-1 Notes, the Class AB Notes and the FastPay Notes will be calculated with reference to the Rate of Interest for the relevant Note for the relevant monthly Payment Period on the Invested Amount of that Note on the first day of that Payment Period.

Interest for the Class B-1 Notes and the return the Class B-2 Notes will be calculated with reference to the Rate of Interest or the Rate of Return (as relevant) for the relevant Note for the relevant Payment Period on the Stated Amount of that Note on the first day of the that Payment Period.

The Class B-1 Notes will also be entitled to be paid interest calculated with reference to the Rate of Interest for the relevant Note for the relevant Payment Period on the difference between the Invested Amount and the Stated Amount of that Note on the first day of that Payment Period.

The Class B-2 Notes will also be entitled to be paid a return calculated with reference to the Rate of Return for the relevant Note for the relevant Payment Period on the difference between the Invested Amount and the Stated Amount of that Note on the first day of that Payment Period.

To the extent any Class B-1 Notes are outstanding during any Payment Period commencing after (but excluding) the Payment Date immediately preceding the Class B Step-down Margin Date, those Class B-1 Notes will accrue further interest calculated with reference to the Class B-1 Residual Margin for the relevant Note for the relevant Payment Period on the Invested Amount of that Note on the first day of the that Payment Period.

To the extent any Class B-2 Notes are outstanding during any Payment Period commencing after (but excluding) the Payment Date immediately preceding the Class B Step-down Margin Date, those Class B-2 Notes will accrue further returns calculated with reference to the Class B-2 Residual Margin for the relevant Note for the relevant Payment Period on the Invested Amount of that Note on the first day of the that Payment Period.

Interest or returns on all Notes (other than Class A-2 Notes) will accrue on a daily basis and will be calculated on the basis of the actual number of days in that Payment Period

and a year of 365 days. Interest or returns on all Notes (other than Class A-2 Notes) 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.

Interest for the Class A-2 Notes is payable on each Fixed Interest Payment Date and will be calculated as the product of the Rate of Interest for the relevant Note for the relevant quarterly Payment Period, the Invested Amount of that Note on the first day of that Payment Period and the RBA Bond Basis (which will be calculated according to the period from the Issue Date up to (but excluding) the first Fixed Interest Payment Date (in the case of the first quarterly Payment Period for the Class A-2 Notes) and then the number of Fixed Interest Payment Dates in each year (in the case of each following Payment Period).

If the Class A-2 Notes are not repaid in full on the Class A-2 Refinancing Date or the Class A-2 Notes are not refinanced on that day, each Class A-2 Note outstanding on the Class A-2 Refinancing Date will, with effect from the Class A-2 Refinancing Date, be converted to a Class A-2R Note. In these circumstances, the Rate of Interest for the Class A-2R Notes for each Payment Period from (and including) the Class A-2 Refinancing Date is the aggregate of Bank Bill Rate for that Payment Period and the Class A-2 Stepped up Margin.

If the Class A-2 Notes are repaid in full at the Class A-2 Refinancing Date, the interest rate applicable to any Class A-2R Notes for each Payment Period from (and including) the Class A-2 Refinancing Date is the aggregate of Bank Bill Rate for that Interest Period and the Class A-2R Margin as determined in accordance with section 5.2 ("*Class A-2R Notes*").

***Rate of Interest, Class B-1
Residual Margin and Class
B-2 Residual Margin***

The Rate of Interest or Rate of Return on each Note (other than the Class A-2 Notes and the Fastpay Notes) 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 provided that an interpolated rate will apply for the first Payment Period.

The Rate of Interest on each Class A-2 Notes will be a fixed rate determined on the Pricing Date.

To the extent they are outstanding during any Payment Period commencing after (but excluding) the Payment Date immediately preceding the Class B Step-down Margin Date

- (a) Class B-1 Notes will accrue further interest calculated with reference to the Class B-1 Residual Margin for the relevant Note; and
- (b) Class B-2 Notes will accrue further returns

calculated with reference to the Class B-2 Residual Margin for the relevant Note.

Relevant Margin

The Relevant Margin for each Class of Notes (other than the Class A-2 Notes, Class A-2R Notes and Fastpay Notes) will be the rate, expressed as a 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-1 Notes or Class AB 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-1 Notes and the Class AB Notes will increase by 0.25%.

On the Class B Step-down Margin Date, the Relevant Margin in respect of:

- (a) the Class B-1 Notes will decrease by their relevant Class B-1 Residual Margin; and
- (b) the Class B-2 Notes will decrease by their relevant Class B-2 Residual Margin.

If the Class A-2 Notes are not repaid in full on the Class A-2 Refinancing Date or the Class A-2 Notes are not refinanced on that day, each Class A-2R Note (which was converted from the Class A-2 Notes outstanding on Class A-2 Refinancing Date) will have a Relevant Margin equal to the Class A-2 Stepped up Margin.

If Class A-2R Notes are issued on the Class A-2 Refinancing Date to refinance the Class A-2 Notes outstanding on the Class A-2 Refinancing Date, the Relevant Margin applicable to the Class A-2R Margin will be as determined in accordance with section 5.2 ("*Class A-2R Notes*").

If any FastPay Notes are converted, then with effect from the Payment Date immediately following the relevant FastPay Conversion Date, the Relevant Margin in respect of such FastPay Notes will be the FastPay Margin.

Cut-Off Date

30 November 2012

Closing Date

18 December 2012

Pricing Date

12 December 2012

Issue Date

In relation to a Class of Notes (other than the FastPay Notes and the Class A-2R Notes), 18 December 2012.

In relation to the Class A-2R Notes, the Class A-2 Refinancing Date.

In relation to the FastPay Notes, such other date as may be

determined by the Manager.

Determination Date

The Date which is 2 Business Days prior to a Payment Date. The first Determination Date will be 17 January 2013.

Payment Date

The:

- 21st day of each month or if the 21st day is not a Business Day, then the immediately following Business Day (unless that day falls in the next calendar month, in which case the preceding Business Day); and
- Final Maturity Date.

First Payment Date

21 January 2013.

Final Maturity Date

The Payment Date in December 2043, or if this date is not a Business Day, the Final Maturity Date will be the immediately following Business Day.

Ratings

A condition precedent to the issue of the Notes is that:

- Standard & Poor's assigns a rating of "AAA(sf)" and Fitch Ratings assigns a rating of "AAAsf" to the Class A-1 Notes, Class A-2 Notes and the Class AB Notes; and
- Standard & Poor's assigns a rating of "AA-(sf)" to the Class B-1 Notes and the Class B-2 Notes.

Collection Period

With respect to the first period, the period commencing on (but excluding) the Cut-Off Date and ending on (but including) the last day of the next calendar month.

With respect to the last period, the period commencing on (but excluding) the last day of the previous Collection Period to (and including) the Final Maturity Date.

With respect to every other period, each calendar month.

Use of proceeds

The proceeds from the issue of Notes (other than FastPay Notes and the Class A-2R Notes) will be used to purchase or redesignate Eligible Receivables and to fund the Required Authorised Investment Liquidity Amount.

The proceeds of issue of any FastPay Notes will be used to provide Redraws in respect of the Receivables.

Proceeds from any issuance of Class A-2R Notes by FirstMac will be used to redeem Class A-2 Notes on the Class A-2 Refinancing Date.

Call Option

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

The Call Date will be the Payment Date following the Determination Date on which the aggregate Outstanding Amount of Receivables of the Series is equal to or less than 10% 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 or returns (excluding Residual Class B-1 Interest and Residual Class B-2 Interest) accrues daily at the prevailing Rate of Interest or Rate of Return (as relevant) from (and including) the date on which the unpaid interest or unpaid returns arises until it is paid in full.

Interest accrues daily on any unpaid Residual Class B-1 Interest at the relevant Class B-1 Residual Margin from (and including) the date on which the unpaid Residual Class B-1 Interest arises until it is paid in full.

Interest accrues daily on any unpaid Residual Class B-2 Returns at the relevant Class B-2 Residual Margin from (and including) the date on which the unpaid Residual Class B-2 Returns 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 or Unpaid Returns 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-2 Notes until the amount so allocated equals the Stated Amount of the Class B-2 Notes (such amount being a “**Class B-2 Charge-Off**”);
- (b) second, upon the Class B-2 Charge-Off equalling the Stated Amount of the Class B-2 Notes as a result of the application of the above paragraph, towards the Class B-1 Notes until the amount so

allocated equals the Stated Amount of the Class B-1 Notes (such amount being a “**Class B-1 Charge-Off**”);

- (c) third, upon the Class B-1 Charge-Off equalling the Stated Amount of the Class B-1 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
- (d) fourth, upon the 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-1 Notes, the Class A-2 Notes, the Class A-2R Notes and FastPay Notes until the amount so allocated equals the Stated Amount of the Class A-1 Notes, the Class A-2 Notes, the Class A-2R Notes and FastPay Notes (such amount being respectively a “**Class A-1 Charge-Off**”, “**Class A-2 Charge-Off**”, “**Class A-2R Charge-Off**” and “**FastPay Charge-Off**”).

If, on any Determination Date, the Charge-Offs for the preceding Collection Period exceed the aggregate of the amount of the Total Interest Collections available for allocation to Liquidation Losses in accordance with section 8.12 (“*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) first, reduce the Stated Amount of the Class B-2 Notes by the amount of that excess until the Stated Amount of the Class B-2 Notes is reduced to zero (such amount being a “**Class B-2 Carryover Charge-Off**”);
- (b) second, reduce the Stated Amount of the Class B-1 Notes by the amount of that excess until the Stated Amount of the Class B-1 Notes is reduced to zero (such amount being a “**Class B-1 Carryover Charge-Off**”);
- (c) third, 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
- (d) fourth, reduce (pari passu and rateably), the Stated Amount of the Class A-1 Notes, the Class A-2 Notes, the Class A-2R Notes and FastPay Notes by

the amount of that excess until the Stated Amount of the Class A-1 Notes, the Class A-2 Notes, the Class A-2R Notes and FastPay Notes is reduced to zero (such amount being respectively a “**Class A-1 Carryover Charge-Off**”, “**Class A-2 Carryover Charge-Off**”, “**Class A-2R Carryover Charge-Off**” and “**FastPay Carryover Charge-Off**”).

Amounts charged off may be reinstated in accordance with section 8.17 (“*Reinstatement of Carryover Charge-Offs*”).

Austraclear

Class A Notes (other than the Class A-2R Notes), Class AB Notes and Class B 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

A Note Holder may transfer its Notes provided the Notes are 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 or Part 7.9 of the Corporations Act.

No Note may be offered or 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 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 in the ordinary course of their mortgage lending businesses.

The Housing Loans originated by the FirstMac 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, that 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 FirstMac Originators will be held by a FirstSub. 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 the Eligible Receivables originated by the HSBC Seller was originally in the name of the HSBC Seller although the HSBC Seller has since transferred the legal title to such Eligible Receivables to a FirstSub. The Eligible Receivables were sold to FirstMac in respect of a Relevant Series in December 2006 and were thereafter Redesignated as an asset of another Relevant Series, and will now be Redesignated as an asset of the Series on the Issue Date.

Each FirstMac 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 (other than the FastPay Notes and the Class A-2R 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 Series, together with any accrued interest in respect of the Eligible Receivables.

Custody of Loan Agreements

Each of:

- (a) Perpetual Trustee Company Limited, only in respect of any Housing Loans originated in the name of a

FirstSub; and

- (b) Permanent Custodians Limited, only in respect of any Housing Loans originated in the name of the HSBC Seller,

has agreed to act as a Custodian in accordance with the Master Trust Deed of all documents relating to the Eligible Receivables forming part of the Assets of the Series. 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. The liability of each of Perpetual Trustee Company Limited and Permanent Custodians Limited as Custodian is several and not joint.

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 9.7 (“*The Servicer*”).

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

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 Series 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 the Loan Agreements such that the rates are the Threshold Margin plus the minimum rates required to be set on the Receivables (excluding any Defaulted 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.

3.6 GIC Account

FirstMac will establish the GIC Account on or before the Closing Date and will set aside in the GIC Account on each Payment Date, to the extent that there are sufficient Principal Collections, amounts that would otherwise be applied to reduce the Invested Amount of the Class A-2 Notes. On the Class A-2 Refinancing Date, the balance of the GIC Account (if any and including any GIC Authorised Investments realised on or before the Class A-2 Refinancing Date) will, together with the issue proceeds of any Class A-2R Notes, be applied towards redeeming the Class A-2 Notes (with any remaining GIC Account funds to be included in the Principal Repayment Fund for distribution on the Payment Date immediately following the Class A-2 Refinancing Date). No amounts of principal are due on the Class A-2 Notes prior to the Class A-2 Refinancing Date.

The GIC Account must be maintained with a financial institution which has a short term credit rating of at least A-1 by S&P and F1 by Fitch Ratings and a long term credit rating of at least A by S&P and A by Fitch Ratings (or A+ by Fitch Ratings, if Fitch Ratings has placed the relevant financial institution on ratings watch negative at the relevant time). The GIC Account will be opened with Westpac Banking Corporation.

If the Manager (acting reasonably) forms the opinion that the balance of the GIC Account at any time will result in a reduction, qualification or withdrawal of the ratings then assigned by either Current Rating Agency to the Class A-2 Notes, the Manager may direct FirstMac to withdraw an amount from the GIC Account and invest that amount in GIC Authorised Investments which have a maturity prior to the Class A-2 Refinancing Date, provided that the Manager has provided a Rating Notification in respect of the acquisition of those GIC Authorised Investments. The Manager has agreed to direct FirstMac to realise the GIC Authorised Investments on or before the Class A-2 Refinancing Date and deposit the realisation proceeds into the GIC Account.

For further details on the GIC Account, see section 6.13 (“*GIC Account*”).

3.7 Liquid Authorised Investments

FirstMac must ensure that the Required Authorised Investment Amount is maintained at all times. If the Manager determines on a Determination Date that the Interest Collections for the preceding Collection Period, the balance of the Spread Reserve, any Extraordinary Expense Reserve Draw (only insofar as it is used to meet Extraordinary Expenses) and the Principal Draw 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 8.13 (“*Distribution of Total Interest Collections*”).

3.8 Spread Reserve

FirstMac will establish and maintain in the name of FirstMac a bank account with an Eligible Bank known as the “FirstMac Mortgage Funding Trust Series 3-2012 Spread Reserve” (the “**Spread Reserve**”).

Amounts will only be released from the Spread Reserve:

- (a) meet any shortfall where the Interest Collections, together with any Principal Draw and any Liquid Authorised Investments used to meet a Liquidity Shortfall Deficit, are not sufficient to meet the Required Payments in full on a Payment Date;
- (b) to reimburse any Liquidation Losses where the Stated Amount of Class B-2 Notes have been reduced to zero;
- (c) to be paid to the Residual Income Unitholder on the Final Maturity Date; or
- (d) into the Collection Account to be applied in accordance with section 8.21 (*“Application of proceeds following an Event of Default”*) following the occurrence of an Event of Default and enforcement of the Security.

The Spread Reserve Account balance starts at nil on the Issue Date. Until (and including) the first Payment Date which the balance of the Spread Reserve is equal to \$1,800,000, an amount of up to 50% of the remainder of Total Interest Collections after the payments described in sections 8.13(a) to 8.13(z) (*“Distribution of Total Interest Collections”*) is to be applied to the Spread Reserve until the balance of the Spread Reserve is equal to \$1,800,000.

3.9 Extraordinary Expense Reserve

FirstMac will establish and maintain in the name of FirstMac a bank account with an Eligible Bank known as the “FirstMac Mortgage Funding Trust Series 3-2012 Extraordinary Expense Reserve” (the “**Extraordinary Expense Reserve**”).

Amounts will only be released from the Extraordinary Expense Reserve:

- (a) into the Collection Account on each Payment Date for the purposes of making Extraordinary Expense Reserve Draws;
- (b) to be paid to the Principal Repayment Fund on the Final Maturity Date; or
- (c) into the Collection Account to be applied in accordance with section 8.21 (*“Application of proceeds following an Event of Default”*) following the occurrence of an Event of Default and enforcement of the Security.

The Extraordinary Expense Reserve balance starts at nil on the Issue Date. An amount of up to the remainder of Total Interest Collections after the payments described in sections 8.13(a) to 8.13(jj) is to be applied on each Payment Date to the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve is equal to the Required Extraordinary Expense Reserve Amount

3.10 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 to be 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 Counterparty.

Fixed Rate Loans

The Servicer has undertaken to ensure that the Outstanding Amount of Housing Loans with a fixed rate of interest is limited to an amount not exceeding 6% (or such other percentage which the Manager notifies to each Current Rating Agency and which will not, in the Manager's reasonable opinion, result in an Adverse Rating Effect) of the Outstanding Amount of Housing Loans in respect of the Series at the time any fixed rate loan is being entered into.

The Manager agrees to ensure that:

- (a) any Housing Loans which as at the initial Issue Date were not fixed rate loans but which subsequently become fixed rate loans are the subject of a Derivative Contract which ensures that:
 - (i) FirstMac's obligations under the Derivative Contract are to pay an amount calculated by multiplying the appropriate notional amount under the Derivative Contract by the weighted average interest rate on all such fixed rate Housing Loans; and
 - (ii) the interest rate on such Housing Loans (taking into account the relevant Derivative Contracts) is at least equal to the one month Bank Bill Rate plus 2.50% per annum; and
- (b) no further Housing Loans convert to fixed rate loans:
 - (i) after the first Call Date; or
 - (ii) if the hedging arrangements referred to in paragraph (a) have not been effected when required by that paragraph.

Capped Rate Loans

The Servicer has undertaken to ensure that the Outstanding Amount of Housing Loans with a capped rate of interest is limited to an amount not exceeding 3% (or such other percentage which the Manager notifies to each Current Rating Agency and which will not, in the Manager's reasonable opinion, result in an Adverse Rating Effect) of the Outstanding Amount of Housing Loans in respect of the Series.

The Manager agrees to ensure that Housing Loans subject to a capped rate of interest will convert to a fully variable rate and the capped rate will not be extended beyond the initial two years of those Housing Loans, and are the subject of a Derivative Contract which ensures that:

- (a) FirstMac's obligations under the Derivative Contract are to pay an amount calculated by multiplying the appropriate notional amount under the Derivative Contract by the weighted average interest rate on all such capped rate Housing Loans; and
- (b) the interest rate on such Housing Loans (taking into account the relevant Derivative Contracts) is at least equal to the one month Bank Bill Rate plus 2.00% per annum.

Class A-2 Note Fixed Swap

FirstMac will enter into the Class A-2 Note Fixed Swap with the Class A-2 Note Fixed Swap Provider to enable FirstMac to hedge the interest rate mismatch between the Rate of Interest for the Class A-2 Note and the floating amounts received under any basis swaps and fixed rate swaps it has entered into.

The Class A-2 Note Fixed Swap will have a notional amount in respect of each Fixed Rate Payment Date equal to the Invested Amount of the Class A-2 Notes (“**Class A-2 Note Fixed Swap Notional Amount**”).

Under the Class A-2 Note Fixed Swap FirstMac will pay to the Interest Rate Swap Provider on each Payment Date an amount calculated by reference to the product of the Class A-2 Note Fixed Swap Notional Amount for that Payment Date, the Bank Bill Rate for the relevant period and the Class A-2 Swap Margin.

The Interest Rate Swap Provider will in turn pay to FirstMac on each Fixed Interest Payment Date (other than the first Fixed Interest Payment Date) an amount calculated by reference to the product of the Class A-2 Note Fixed Swap Notional Amount for that Fixed Interest Payment Date and the Class A-2 Interest Rate, divided by four.

On the first Fixed Interest Payment Date, the Interest Rate Swap Provider will pay to FirstMac an amount calculated by reference to the product of:

- (a) the Class A-2 Note Fixed Swap Notional Amount for that Fixed Interest Payment Date multiplied by the Class A-2 Interest Rate; multiplied by
- (b) RP the number of days from and including the Issue Date up to (and excluding) first Fixed Interest Payment Date divided by 365.

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.

If any Counterparty lodges collateral with FirstMac, any interest or income on that collateral will be paid to that Counterparty. Any collateral lodged by the Counterparty with FirstMac will not form part of the Assets of the Series, except to the extent the collateral is available to FirstMac under the terms of the relevant Derivative Contract, and will not be available to the Secured Creditors upon the enforcement of the Security.

3.11 Security

The obligations of FirstMac in respect of the Notes are secured by a security interest 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 security interest 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 holding the legal title of the Eligible Receivables. Each FirstSub has granted a charge over its legal title to each Eligible Receivable in favour of the Security Trustee to secure each FirstSub’s performance of that guarantee.

Each of FirstMac, the Manager and the Servicer have agreed to co-operate to do, and to do, anything required (such as obtaining consents, signing and producing documents, producing receipts and getting documents completed, signed and lodged) necessary to provide more effective security, perfect security or to ensure no prejudice to any existing security under the Personal Property Securities Act 2009 (“**PPSA**”) in relation to the assignment of the Eligible Receivables and the security granted under the General Security Agreement and any other matters relevant to the Series.

3.12 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 that the Notes (other than the Class B-2 Notes and the FastPay Notes) will be offered, and interest will be paid from time to time, in a manner which satisfies the exemption from interest withholding tax contained in section 128F of the Australian Tax Act (see section 11 (“Taxation Considerations”) for further information).

If withholding or deduction is required by law by any party in relation to a payment on the Notes, that party will account to the relevant authority for the amount required to be withheld or deducted and no additional amounts in respect of any 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, potential investors 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 Investment in the Notes may not be suitable for all investors

The Notes are complex investments that should be considered only by investors who, either alone or with their financial, tax and legal advisors, have the expertise to analyse the prepayment, reinvestment, default and market risk, the tax consequences of an investment, and the interaction of these factors.

Mortgage-backed securities, like the Notes, usually produce faster rates of return of principal to investors when market interest rates for housing loans fall below the interest rates on the Housing Loans and produce slower rates of return of principal when market interest rates for housing loans rise above the interest rates on the Housing Loans. If borrowers refinance their Housing Loans as a result of lower interest rates, Note Holders may receive an unanticipated payment of principal. As a result, Note Holders are likely to receive more money to reinvest at a time when other investments generally are producing a lower yield than that on the Notes and are likely to receive less money to reinvest when other investments generally are producing a higher yield than that on the Notes. Note Holders will bear the risk that the timing and amount of payments on the Notes will prevent you from attaining the desired yield.

4.2 Limited Recourse

The Notes (other than the Class B-2 Notes) are debt obligations of FirstMac in its capacity as trustee of the Trust in respect of the Series. The Class B-2 Notes are capital instruments issued by FirstMac in the form of an additional capital contribution in relation to the Residual Income Unit. The Notes are issued with the benefit of, and subject to the Master Trust Deed, the Supplementary Terms Notice and the General Security Agreement 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, principal and fees 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 Security 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 of all Notes other than the Class B-2 Notes). The Security Trustee may incur costs in enforcing the Security, 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.

4.3 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.

4.4 Secondary Market Risk

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.

The risk that the secondary market in the Notes will cease to develop or fail is increased during major disruptions in the capital markets. Such disruptions may not be limited to issues which are directly relevant to the Assets of the Series and which therefore may appear to be unrelated to the Notes. For example, recently there has been a significant downturn in the global credit markets which has been precipitated by performance concerns in the “sub-prime” loan market in the United States. Due to the way in which those “sub-prime” loans were funded in the capital markets, many investors with exposure to sub-prime were forced to revalue their investments based on current market prices and liquidate holdings which crystallised losses.

The global capital markets are currently experiencing severe disruptions worldwide resulting from reduced investor demand for instruments, including mortgage-backed securities. A prolonged reduction in demand for mortgage-backed or other securities (including in relation to Australian prime residential mortgage backed securities), alone or in combination with the continuing increase in prevailing market interest rates, may adversely affect the market value of the Notes and may adversely affect the ability of the Holders to sell the Notes.

There is no certainty as to the duration of the destabilising effect in the capital markets or whether the price of the Notes will be affected by factors which are unrelated to the credit quality of the Notes. For example, the price of the Notes may be affected by issues including the performance of instruments of Other Series, even though these events may have no direct correlation to the quality of the Assets of the Series.

There is no certainty that the secondary market in relation to the Notes will recover or whether the price of the Notes will be affected by factors which are unrelated to the credit quality 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.

4.5 Interest Rate Risk

The illiquidity in the credit markets and the large scale liquidation of investments in the credit market means that the spread between the Bank Bill Rate and the official Australian overnight cash rate to income has increased. There can be no certainty whether the official Australian overnight cash rate or the Bank Bill Rate will increase or decrease in the future.

As the interest rate on the Notes is calculated by reference to the Bank Bill Rate, any increases in the Bank Bill Rate which are not passed onto borrowers may reduce the level of credit enhancement provided to the Notes by excess income. However this risk is mitigated by the obligation of the Servicer to set the average interest rate on the Housing Loans at the Threshold Rate. The Servicer has passed on to the borrowers increases made by the Reserve Bank of Australia in the overnight cash rate in addition to other increases reflecting the increased cost of funding the Housing Loans. Also, the Servicer may not fully pass on reductions in interest rates made by the Reserve Bank of Australia as a result of the increased cost of funding the Housing Loans.

Furthermore, the Servicer may choose to, or may be obliged to, increase the interest rate on the Housing Loans. While this may provide further credit enhancement due to there being an increased amount of excess income:

- (a) as described in section 4.5 (“*Interest Rate Risk*”), if other home loan providers have not increased interest rates at a similar level, Debtors may choose to refinance their Housing Loans resulting in early repayments of principal; and
- (b) as described in section 4.11 (“*Delinquency/Default Risk*”), the increased repayments this may result in may place stress on Debtors’ ability to repay their Housing Loans.

4.6 Timing of 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 amounts received as Timely Payment Cover. Principal Collections may be utilised to meet Liquidity Shortfalls in priority to payments 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 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.

4.7 Redemption of the Notes under the Call Option

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

The Manager has the right under the Supplementary Terms Notice to direct FirstMac to sell, realise or Redesignate Assets of the Series in order to raise funds to redeem the Notes on a Call Date. However, there is no guarantee that the Housing Loans will be able to be sold, realised or Redesignated in order to raise sufficient funds to redeem the Notes on that Call Date.

4.8 General Security Agreement

Following the enforcement of the Security, 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 9.8 (“*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.

4.9 Personal Property Securities regime

A new personal property securities regime commenced operation throughout Australia on 30 January 2012 (“**PPSA Start Date**”). The Personal Property Securities Act 2009 (“**PPSA**”) established a single national system for the registration of security interests in personal property, together with new rules for the creation, priority and enforcement of security interests in personal property. The PPSA has a retrospective effect on security interests and security agreements arising before that time by operation of the transitional provisions.

Security interests for the purposes of the PPSA include traditional securities such as charges and mortgages. However, they also include transactions that in substance, secure payment or performance of an obligation but may not currently be legally classified as securities. Further, certain other interests are deemed to be security interests whether or not they secure payment or performance of an obligation - these deemed security interests include assignments of receivables. Further to this, the *Personal Property Securities Regulations 2010* (Cth) also notes that the PPSA is intended to apply to mortgage-backed security and to any real property mortgage loan if transferred to a person in connection with the issue of a mortgage-backed security.

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

- (a) another security interest may take priority;
- (b) another person may acquire an interest in the assets which are subject to the security interest free of their security interest; or
- (c) they may not be able to enforce the security interest against a grantor who becomes insolvent.

The security granted by FirstMac under the General Security Agreement and assignments of Receivables are security interests under the PPSA. The Manager intends to effect registrations of these security interests by way of registration on the Personal Property Securities Register. The Transaction Documents may also contain other security interests. The Manager, the Servicer and the Originator have undertaken in the Supplementary Terms Notice to review the Transaction Documents to determine if the Transaction Documents (or a transaction in connection with them) is or contains a security interest for the purposes of the PPSA, and whether any such security interest has been, or should be perfected under the PPSA.

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

Under the General Security Agreement, FirstMac grants a security interest over all of the Assets of the Series in favour of the Security Trustee to secure the payment of monies owing to the Secured Creditors (including among others, the Note Holders). In that agreement, FirstMac has agreed not to sell, transfer or otherwise dispose of the Assets of the Series other than in the ordinary course of its business in respect of the Series or unless the Security Trustee consents to FirstMac doing so.

However, under Australian law:

- dealings by FirstMac with the Housing Loans in breach of such undertaking may nevertheless have the consequence that a third party acquires title to the relevant Housing Loans free of the Security or another security interest over such Housing Loans has priority over that security interest; and
- contractual prohibitions upon dealing with the Housing Loans (such as those contained in the General Security Agreement) will not of themselves prevent a third party from obtaining priority or taking such Housing Loans free of the Security (although the Security Trustee would be entitled to exercise remedies against FirstMac in respect of any such breach by FirstMac).

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

4.10 Consumer Credit Legislation

Federal Consumer Credit Regime (National Consumer Credit Protection Act)

In 2009, the National Consumer Credit Protection Act 2009 (the “NCCP Act”) (which includes the new National Credit Code (“Credit Code”)) and certain related legislation were enacted. The NCCP Act and related legislation was part of a package of reforms directed towards the introduction of a new national consumer credit law to replace state-based regimes. The NCCP Act commenced on 1 July 2010.

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

that credit. Some of the Housing Loans and Housing Loan Rights are regulated by the Credit Code.

The NCCP Act will have significant consequences for a wide range of participants in the credit industry, including credit providers, finance brokers and other intermediaries. Amongst other things, the NCCP Act:

- (a) introduces a national licensing regime, which will require credit providers and certain other intermediaries, firstly, to register and then once registered apply to ASIC for an Australian Credit Licence (“ACL”) (all persons engaging in credit activities will need to be licensed from 1 July 2011 at the latest);
- (b) imposes responsible lending requirements on ACL holders and others designed to protect consumers from being offered loans that are unsuitable for them;
- (c) imposes new disclosure obligations on ACL holders and others;
- (d) gives the Australian Securities and Investment Commission broad powers to enforce the new legislation (including the National Credit Code, which essentially replaces the Consumer Credit Code);
- (e) provides consumers with improved access to remedies; and
- (f) imposes civil and criminal penalties for certain breaches of the legislation.

Obligations under the NCCP Act extend to FirstMac and its service providers (including the Servicer) in respect of the Housing Loans.

Under the terms of the Credit Code and the NCCP Act, FirstMac is a “credit provider” with respect to regulated loans, and as such is exposed to civil and criminal liability for certain violations. These include violations caused in fact by the Servicer. The Servicer has undertaken to comply with the Credit Code and NCCP Act in carrying out its obligations under the Transaction Documents. In certain circumstances FirstMac may have the right to claim damages from the Servicer, where FirstMac suffers loss in connection with a breach of the Credit Code or NCCP Act which is caused by a breach of a relevant representation or undertaking. There is no guarantee that the Servicer will have the financial capability to pay any civil or criminal penalties which arise from Credit Code or NCCP Act violations.

If for any reason the Servicer does not discharge its obligations to FirstMac, then FirstMac will be entitled to indemnification from the Assets of the Series for liabilities it incurs under the Credit Code and NCCP Act. Any such indemnification may reduce the amounts available to pay interest or return and repay principal or capital (as applicable) in respect of the Notes.

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

- vary their Housing Loan on the grounds of hardship or that it is an unjust contract;
- reduce or annul any interest rate payable on the Housing Loan which is unconscionable;
- have certain provisions of the Housing Loan or Related Security which are in breach of the legislation declared unenforceable; or

- obtain restitution or compensation from FirstMac in relation to any breach of the Credit Code.

As a condition of the Servicer holding an Australian credit licence and FirstMac being able to perform its role, the Servicer and FirstMac must also allow each borrower to have access to an external dispute resolution scheme, which has power to resolve disputes where the amount in dispute is A\$500,000 or less.

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

Any such order may affect the timing or amount of interest, fees or charges, or principal payments under the relevant Housing Loan (which might in turn affect the timing or amount of interest, return, capital or principal payments under the Notes).

Obligations under the NCCP Act will also apply (with some limited exceptions) to loans that were regulated under the Consumer Credit Code before July 2010.

Unfair Terms

The Trade Practices Amendment (Australian Consumer Law) Act (No. 1) 2010 (“**TPA Act**”) introduced a national unfair terms regime. Under this regime a term of a standard-form consumer contract will be unfair, and therefore void, if it causes a significant imbalance in the parties’ rights and obligations under the contract, is not reasonably necessary to protect the supplier’s legitimate interests and would cause detriment to the consumer if it were relied on. The provisions in the TPA Act dealing with unfair terms commenced on 1 July 2010 and will apply to a term of the Housing Loans and Housing Loans Rights if those contracts are renewed or varied, or the term is renewed or varied, after 1 July 2010. A term of a mortgage loan which is unfair under this legislation may be declared void.

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

Effect of orders

Any order made under any of the above consumer credit laws may affect the timing or amount of collections under the relevant Eligible Receivable which may in turn affect the timing or amount of interest or return and capital or principal payments under the Notes.

Representation and warranty

The FirstMac 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 all applicable laws in servicing those loans regulated by the legislation.

4.11 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 or return and capital or principal (as applicable) to the Holders.

FirstMac's obligation to pay interest or return and to repay principal or capital (as applicable) 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 and Liquidity Support*")). Holders must rely, for payment under the Notes, on Debtors making payments under the Housing Loans, on 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) the Spread Reserve;
- (b) the Principal Draw;
- (c) the Extraordinary Expense Reserve; and
- (d) 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 or if there is any deterioration in real estate values or the economy in which the property is located (which, given the current international and domestic economic conditions, is likely), 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.

4.12 Subordination provides only limited protection against losses

The amount of credit enhancement provided through the subordination (determined by reference to the order of priority of payments described in 8.21 ("*Application of proceeds following an Event of Default*")) of:

- the Class AB Notes, Class B-1 and Class B-2 Notes to the Class A-1 Notes and Class A-2 Notes or (when issued) the Class A-2R Notes is limited and could be depleted prior to the payment in full of the Class A Notes;
- the Class B-1 Notes and Class B-2 Notes to the Class AB Notes is limited and could be depleted prior to the payment in full of the Class AB Notes; and
- the Class B-2 Notes to the Class B-1 Notes is limited and could be depleted prior to the payment in full of the Class B-1 Notes.

If the Aggregate Stated Amount of:

- Class AB Notes, Class B-1 Notes and Class B-2 Notes is reduced to zero, the Class A-1 Note Holders and Class A-2 Note Holders or (when issued) the Class A-2R Notes may suffer losses on the Class A-1 Notes and Class A-2 Notes (as applicable);
- the Class B-1 Notes and Class B-2 Notes is reduced to zero, the Class AB Note Holders may suffer losses on the Class AB Notes; and

- the Class B-2 Notes is reduced to zero, the Class B-1 Note Holders may suffer losses on the Class B1 Notes.

Losses on the Housing Loans will reduce the loss protection provided by the more subordinate Classes of Notes to the more senior Classes of Notes and will increase the likelihood that the more senior Classes of Notes will not receive all of their expected principal or capital payments.

4.13 The termination of any of the derivative contracts may subject you to losses from interest rate fluctuations

FirstMac will in certain circumstances exchange the interest payments from the fixed-rate Housing Loans for variable-rate payments based upon the Bank Bill Rate (or another published reference rate selected by the Manager in accordance with the Derivative Policy). If a Derivative Contract is terminated or the Counterparty fails to perform its obligations, the Note Holders will be exposed to the risk that the floating rate of interest payable on the Floating Rate Notes and the fixed rate payable on the Class A-2 Note will be greater than the weighted average interest rate set by the Servicer on the variable and fixed-rate Housing Loans, which may lead to FirstMac having insufficient funds to pay interest on the Notes.

If FirstMac elects (at the direction of the Manager) to enter into a new Derivative Contract to replace a terminated Derivative Contract, FirstMac may need to pay a premium to the replacement Counterparty, which may lead to FirstMac having insufficient funds to pay interest on the Notes.

A termination of a Derivative Contract may also require the Manager to direct the Servicer to reset the interest rate on the variable-rate Housing Loans at a rate high enough to cover (in the absence of the terminated Derivative Contract) the payments owed by FirstMac. If the rates on the variable-rate Housing Loans are set above the market interest rate for similar variable-rate Housing Loans, the affected borrowers will have an incentive to refinance their loans with another institution, which may lead to higher rates of principal or capital prepayment than the Note Holders initially expected, which will affect the yield on the Notes.

If FirstMac is required to make a termination payment to the Fixed Rate Swap Provider or the Class A-2 Note Fixed Swap Provider upon the termination of the relevant fixed rate swap, FirstMac will make the termination payment from the Assets of the Series. Prior to enforcement of the Security, that termination payment will be made in priority to payments on the Notes unless the swap is terminated following a default by, or termination event relating to, the Fixed Rate Swap Provider or the Class A-2 Note Fixed Swap Provider (as applicable) under the relevant Derivative Contract. Thus, if FirstMac makes a termination payment in these circumstances, there may not be sufficient funds remaining to pay interest on the Notes on the next Payment Date, and the principal on the Notes may not be repaid in full.

4.14 Recent Origination of the Housing Loans

The Housing Loans have all been originated in a period from 24 July 2002 to 28 March 2012. Accordingly, all of the Housing Loans are not fully seasoned and may display different characteristics until they are fully seasoned.

4.15 Geographic Concentration of Housing 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.

4.16 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 reject or 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 or capital (as applicable) and interest or return (as applicable) on 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 Agency. Increased default rates on the Housing Loans (discussed in section 4.11 (“*Delinquency/Default Risk*”) above) or any other loans insured by a Mortgage Insurer may result in a Mortgage Insurer being downgraded. This is not an exhaustive description of the circumstances in which a Mortgage Insurer may be downgraded.

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 an 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 an Insurance Policy or if the relevant Mortgage Insurer failed to perform its obligations under the relevant Insurance Policy.

All of the Housing Loans as at the date of their origination were 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 or capital (as applicable) and interest or return on the Notes.

4.17 Housing Loans with high original loan-to-value ratios may present a greater risk of loss

Certain Housing Loans have original loan-to-value ratios of greater than 80%. Housing Loans with high loan-to-value ratios may be more likely to experience default and foreclosure than mortgage loans with low original loan-to-value ratios.

4.18 Interest Only Loans may demonstrate greater risk of loss

Approximately 48% of the Housing Loans in the indicative Housing Loan pool have interest-only periods of up to 10 years. Interest Only Loans can demonstrate a higher propensity of default as the accumulation of equity over time can be less due to a shorter amortisation period than that of mortgage loans where repayments are made on a principal and interest basis.

4.19 The Servicer's ability to set the interest rate on variable-rate Housing Loans may lead to increased delinquencies or prepayments

The interest rates on the variable-rate Housing Loans are set by the Servicer. If the Servicer increases the interest rates on the variable-rate Housing Loans, borrowers may be unable to make their required payments under the Housing Loans, and accordingly, may become delinquent or may default on their payments. In addition, if the interest rates are raised above market interest rates, borrowers may refinance their loans with another lender to obtain a lower interest rate. This could cause higher rates of principal or capital prepayment than the Note Holders expected and affect the yield on the Notes.

The features of the Housing Loans, including their interest rates, may be changed by the Servicer, either on its own initiative or at a borrower's request. Some of these changes may include the addition of features not yet developed or offered to borrowers and which are not described in this Information Memorandum. As a result of these changes and borrower payments of principal, the concentration of Housing Loans with specific characteristics is likely to change over time, which may affect the timing and amount of payments the Note Holders receive. In addition, if the Servicer changes the features of the Housing Loans, borrowers may elect to refinance their loan with another lender to obtain more favourable features.

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

The fixed rate Housing Loans have fixed interest rates that are set for a shorter time period (up to 5 years) than the life of the Housing Loan (up to 30 years). At the end of the fixed rate period, the Housing Loan either converts to a variable rate, or can be refixed for a further period (generally not for more than 5 years). When the Housing Loan converts to a variable rate or a new fixed rate, prevailing interest rates may result in the scheduled repayments increasing significantly in comparison to the repayments required during the fixed rate term just completed. This may increase the likelihood of borrower delinquencies, which may cause losses on the Notes.

4.21 Reinvestment risk on payments received during a Collection Period

If a prepayment is received on a Housing Loan during a Collection Period, then to the extent it is not applied towards funding Redraws where permitted at any time, then interest will cease to accrue on that part of the Housing Loan prepaid from the date of the prepayment. The amount repaid will be deposited into the Collection Account or invested in Authorised Investments and may earn interest at a rate less than the then current rate on the Housing Loans. Accordingly, this would result in less funds being available to make payments of interest on the Notes.

4.22 Redesignation of Eligible Receivables

Pursuant to the terms of the Master 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.

4.23 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.

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.

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

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cwlth) ("AML/CTF Act") implements a number of significant changes to Australia's anti-money laundering and counter-terrorism financing regulation.

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

- (a) opening or providing an account, allowing any transaction in relation to an account or receiving instructions to transfer money in and out of the account;
- (b) issuing, dealing, acquiring, disposing of, cancelling or redeeming a security; and
- (c) exchanging one currency for another.

The obligations placed on an entity include that entity undertaking customer identification procedures before a designated service is provided and receiving information about international and domestic institutional transfers of funds. Until the 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.

4.25 Originator Termination Event

If an Originator Termination Event occurs in respect of an Originator or the relevant FirstSub, 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 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 each FirstSub over its legal title to the relevant Receivables which will secure that FirstSub's performance of its guarantee as described in section 3.11 ("*Security*") above.

4.26 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 9.6 (“*The Manager*”) and section 9.7 (“*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 Series. The appointment of a substitute will not have effect until the Manager has notified each Current Rating Agency and has confirmed in writing that such appointment will not, in the Manager’s reasonable opinion, 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 Trustee Company Limited as “Standby Servicer”.

4.27 Master Trust Deed and General Security Agreement

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 Security in accordance with the terms of each of the Master Security Trust Deed and the General Security Agreement. That enforcement may include the sale of the Assets of the Series.

Following the enforcement of the Security 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 9.8 (“*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.

4.28 Nature of Security

Under the General Security Agreement, FirstMac grants a security interest over all the Assets of the Series in favour of the Security Trustee to secure the payment of moneys owing to Secured Creditors of the Series, including, among others, the Holders, the Counterparty, each Custodian, the Registrar, the Manager and the Servicer.

As described in section 4.9 (“*Personal Properties Securities regime*”), the nature, characterisation and priority of the security interest will be affected by the operation of the PPSA.

4.29 Ratings

The credit ratings of the Notes should be evaluated independently from similar ratings on other types of notes or securities. A rating does not address the market price or suitability of the Notes for you.

A credit rating by the 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 Current Rating Agency. There is no assurance that a rating will remain for any given period of time. A revision, suspension, qualification or withdrawal of the credit rating of the Notes may adversely affect the price of the Notes. If a Current Rating Agency changes its rating or withdraws its rating, no one has any obligation to provide additional credit enhancement or restore the original rating.

In addition, the credit ratings of the Notes do not address the expected timing of principal or capital repayments under the Notes, only that principal or capital will be received no later than the Final Maturity Date.

The ratings of the Notes entail substantial risks and may be unreliable as an indication of the creditworthiness of your Notes. The Current Rating Agencies do not consider the risks of fluctuations in market value or other factors that may influence the value of the Notes and, therefore, the assigned credit rating may not fully reflect the true risks of an investment in the Notes. The Current Rating Agencies may change their methods of evaluating credit risk and determining ratings on securities backed by mortgage loans. These changes may occur quickly and often.

Prospective investors in the Notes should make their own evaluation of an investment in the Notes and not rely solely on the ratings of the Notes.

No party will have any obligation to cause any rating of any of the Notes to be maintained. Changes affecting the Housing Loans, the parties to the Transaction Documents or other persons may have an adverse effect on the ratings of the Notes and their market value. Any such adverse changes (including a rating downgrade of the Notes) do not by themselves constitute a default under the Transaction Documents.

4.30 Goods and Services Tax (“GST”)

GST in Australia may decrease the funds available to the Trust to make payments on the Notes.

GST is payable by all entities which make taxable supplies in Australia. Some service providers to the Trust will be subject to GST in respect of such services and will pass on that additional cost to the Trust.

To the extent that the Trust cannot claim a full input tax credit in respect of the GST included in the cost of goods and services acquired by it, it will have less funds available to meet its obligations, and the holders of the Notes may suffer losses. See section 11 (“*Taxation Considerations*”) for an outline of GST.

4.31 Interest Withholding Tax

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

- (a) an Australian resident who does not derive the interest in carrying on business at or through a permanent establishment outside Australia; or
- (b) a non-resident which derives the interest in carrying on business at or through a permanent establishment in Australia.

Interest withholding tax will be deducted on payments of interest to any Holder who is an Australian resident who derives the interest in carrying on business at or through a permanent establishment outside Australia or a non-resident (other than a non-resident who derives the interest in carrying on 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 Australian Tax Act or another exemption applies (see section 11 (“*Taxation Considerations*”) for further information). FirstMac intends to issue the Class A Notes, Class AB Notes and Class B-1 Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

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

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

On 16 December 2010, the Assistant Treasurer issued Media Release No. 0.25 of 2010 in relation to the taxation of trusts. As a follow on from this release, a consultation paper was released on options for modernising the taxation of trusts on 21 November 2011 (refer to the Assistant Treasurer’s Media Release No. 155 of 2011). The consultation paper explores the impediments to the effective operation of the trust income tax provisions in Division 6 of the Australian Tax Act and highlights options for reform.

In July 2012, the Government announced that the proposed start date for the reform/rewrite of the trust taxation rules in Division 6 will be 1 July 2014 (rather than 1 July 2013).

The Government released an options paper for the proposed reforms to the scope of the trust taxation rules on 24 October 2012. The options paper contains various models for how trust taxation may operate, and poses questions to stakeholders regarding how certain aspects of those models should operate. The options paper does not provide any further guidance with respect to the timing of the reforms.

It is not currently expected that the outcome of the Government’s reform of the taxation of trusts should adversely affect the tax treatment of the Trust. However, the development of any new laws should be monitored.

4.33 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, is subject to a full credit assessment as if the Further Advance was a new Housing Loan. If the request is granted, the Debtor will enter into a contract to vary the original Mortgage.

No Further Advance may be made in respect of any Housing Loan which are Series Assets.

4.34 European Union Capital Requirements Directive - CRD2 Rules

Article 122a of the CRD2 Rules restricts a European Union-regulated credit institution and its consolidated group affiliates from investing in a securitisation unless the originator, sponsor or original lender in respect of that securitisation has explicitly disclosed to the European Union-regulated credit institution or consolidated group affiliate (as applicable) that it will retain, on an ongoing basis, a net economic interest of at least 5 per cent in that securitisation as contemplated by Article 122a. The Guidelines for Article 122a confirm that it is possible for the retention options to be satisfied on a synthetic or contingent basis. FirstMac Limited will execute the CRD2 Guarantee which will represent a guarantee of 5% of the aggregate principal balance of the securitised exposures as a synthetic or contingent means of satisfying Article 122a paragraph (1) sub-paragraph (a). The Manager will include information in any reports provided to Noteholders of:

- (a) FirstMac Limited's continued retention of the interest described above; and
- (b) any change to the manner in which the interest will be comprised if there are exceptional circumstances which cause the manner in which the interest is held to change.

The CRD2 Guarantee will only provide support for 5% of the aggregate Invested Amount of each Class of Notes at the time of the claim under the CRD2 Guarantee. Such claim may only be made following the enforcement of the Security and the application of all proceeds following enforcement after the occurrence of an Event of Default. There can be no assurance that FirstMac Limited will be in a position to meet its obligations under the CRD2 Guarantee at the time that a demand is made under the CRD2 Guarantee.

Article 122a also requires a European Union-regulated credit institution to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, the notes it has acquired and the underlying exposures and that procedures have been established for such due diligence to be conducted on an on-going basis. Failure to comply with one or more of the requirements set out in Article 122a may result in the imposition of a penal capital charge with respect to the investment made in the securitisation by the relevant investor.

Article 122a applies in respect of an investment in the Notes by European Union-regulated credit institutions (or consolidated group affiliates thereof) and so such persons should make themselves aware of the requirements of Article 122a (and any implementing rules in relation to a relevant jurisdiction) in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Relevant investors are required to independently assess and determine the sufficiency of the information described in this Information Memorandum and in any reports provided to investors in relation to the transaction for the purpose of complying with Article 122a and none of the FirstMac, FirstMac Limited or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

There remains considerable uncertainty with respect to Article 122a and it is not clear what will be required to demonstrate compliance to national regulators. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non compliance with Article 122a and any implementing rules in a relevant jurisdiction should seek guidance from their regulator. Similar requirements to those set out in Article 122a may be implemented for other EU regulated investors (such as certain types of investment fund managers, insurance and reinsurance undertakings) in the future.

Article 122a of the CRD2 Rules and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of certain individual investors and, in addition, could have a negative impact on the price and liquidity of the Notes in the secondary market.

There can be no assurance that the regulatory capital treatment of the Notes for any investor will not be affected by any future implementation of, and changes to, the CRD2 Rules or other regulatory or accounting changes.

4.35 Foreign Account Tax Compliance

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (“**FATCA**”) were enacted in March 2010 in an effort to assist the United States Internal Revenue Service (“**IRS**”) in enforcing U.S. taxpayer compliance. More specifically, FATCA imposes a 30% withholding tax on certain payments to and from certain non-U.S. financial institutions (which may include entities such as the Series Trust) who do not enter into and comply with an agreement with the IRS to provide certain information on the holders of its debt or equity (other than debt or equity interests that are regularly traded on an established securities market).

The relevant rules have not yet been fully developed and the future application of FATCA to the Series, FirstMac and the Holders of the Notes is uncertain. The Holders of the Notes may be required to provide certain information or be subject to withholding on certain payments made to them in order for the Series or FirstMac to comply with any FATCA, or any agreements relating thereto. If a payment to a Holder of a Note is subject to withholding as a result of FATCA or an agreement relating thereto, there will be no “gross up” (or any other additional amount) payable by FirstMac or any other person by way of compensation to the Holder of a Note for the deducted amount.

4.36 Basel Capital Accord

In 1988, the Basel Committee on Banking Supervision (the “**Basel Committee**”) adopted capital guidelines that explicitly link the relationship between a bank’s capital and its credit risks. In June 2006 the Basel Committee finalised and published new risk-adjusted capital guidelines (“**Basel II**”). Basel II includes the application of risk-weighting which depends upon, amongst other factors, the external or, in some circumstances and subject to approval of supervisory authorities, internal credit rating of the counterparty. The revised requirements also include allocation of risk capital in relation to operational risk and supervisory review of the process of evaluating risk measurement and capital ratios.

Basel II has not been fully implemented in all participating jurisdictions. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework and, as a result, they may affect the liquidity and/or value of the Notes. The Basel II framework is implemented in the European Union by the Capital Requirements Directive. Certain amendments have been made to the Capital Requirements Directive, including by Directive 2010/76/EU (the so-called CRD III), which was required to be implemented by Member States by the end of 2011 and which introduced (amongst other things) higher capital requirements for certain trading book positions and re-securitisation positions.

It should also be noted that the Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as Basel III (“**Basel III**”)) and on 1 June 2011 issued its final guidance, which envisages a substantial strengthening of existing capital rules, including new capital and liquidity requirements intended to reinforce

capital standards and to establish minimum liquidity standards and a minimum leverage ratio for financial institutions. In particular, the changes include, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio). Member countries will be required to implement the new capital standards from January 2013, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. On 4 November 2011, the Basel Committee considered introducing additional capital requirements for global systemically important banks, to take effect on a phased basis from 2016. Similarly, on 29 June 2012, the Basel Committee also introduced a principles-based capital framework for domestic systemically important banks, which are also intended to take effect on a phased basis from 2016. The changes approved by the Basel Committee may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

The European authorities support the work of the Basel Committee on the approved changes in general and, on 20 July 2011, the European Commission adopted a legislative package of proposals (known as CRD IV) to implement the changes through the replacement of the existing Capital Requirements Directive with a new Directive and Regulation. As with Basel III, the proposals contemplate the entry into force of the new legislation from January 2013, with full implementation by January 2019; however, the proposals allow individual Member States to implement the stricter definition and/or level of capital more quickly than is envisaged under Basel III.

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

5 Description of the Notes

The Notes (other than the Class B-2 Notes) constitute debt securities issued by FirstMac in its capacity as trustee of the Trust in respect of the Series. The Class B-2 Notes constitute capital securities representing an additional capital contribution in respect of the Residual Income Unit. FirstMac's liability to pay any interest or return and repay any capital or 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 (other than the Class A-2 Notes and the Class B-2 Notes) are characterised as secured and amortising, pass through, floating rate debt securities. The Class A-2 Notes are characterised as secured and amortising, fixed rate debt securities. The Class B-2 Notes are characterised as pass through capital securities. The Notes are issued with the benefit of, and subject to, the Master Trust Deed, the Supplementary Terms Notice and the General Security Agreement.

Initially five Classes of Notes will be issued - Class A-1 Notes, Class A-2 Notes, Class AB Notes, Class B-1 Notes and Class B-2 Notes. Class A-2R Notes may be issued on the Class A-2 Refinancing Date for the purposes of redeeming the Class A-1 Notes on that date. 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 or return and principal or capital (as applicable). The Notes of different Classes rank between each other in relation to the payment of interest and the repayment of principal or capital (as applicable) both before and after the occurrence of an Event of Default as described in section 8 ("*Cashflow Allocation Methodology*").

5.1 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 each Class of Notes will not, in the Manager's reasonable opinion, be adversely affected.

If the Invested Amount of any FastPay Note has not been reduced to zero by the FastPay Conversion Date, then that FastPay Note will at that time be treated in all respects as forming part of the then most senior Class of Notes (other than the Class A-1 Notes, or the FastPay Notes), for this purpose determined with reference to the allocation of payments in accordance with section 8.21 ("*Application of proceeds following an Event of Default*") with effect from the Payment Date immediately following the FastPay Conversion Date and will cease to constitute a FastPay Note.

5.2 Class A-2R Notes

- (a) At any time on or before the Determination Date immediately before the Class A-2 Refinancing Date, the Manager has agreed to use its reasonable endeavours to arrange, on behalf of FirstMac, for the marketing of the issuance of Class A-2R Notes with an aggregate Initial Invested Amount equal to:
 - (i) the Invested Amount of the Class A-2 Notes; minus
 - (ii) the expected balance of the GIC Account on the Class A-2 Refinancing Date (including any GIC Authorised Investments realised or to be realised on or before the Class A-2 Refinancing Date).

The Manager may, at its cost, appoint such advisors, arrangers or dealers as it sees fit to assist with the issuance of the Class A-2R Notes.

- (b) If the Manager is able to arrange for Class A-2R Notes to be issued by FirstMac on the Class A-2 Refinancing Date:
- (i) with an interest rate which results in a margin over the Bank Bill Rate that is less than the Class A-2 Stepped Up Margin;
 - (ii) with the same credit rating from each Rating Agency as the Class A-2 Notes on the Class A-2 Refinancing Date;
 - (iii) with an aggregate Initial Invested Amount equal to:
 - A. the Invested Amount of the Class A-2 Notes on the Determination Date immediately prior to the Class A-2 Refinancing Date; minus
 - B. the expected balance of the GIC Account on the Class A-2 Refinancing Date (including any GIC Authorised Investments realised or to be realised on or before the Class A-2 Refinancing Date); and
 - (iv) in accordance with the public offer test outlined in Section 128F of the Income Tax Assessment Act 1936,

the Manager will direct FirstMac to issue those Class A-2R Notes on the Class A-2 Refinancing Date. FirstMac must deposit the proceeds of the issuance of any Class A-2R Notes issued on the Class A-2 Refinancing Date into the GIC Account.

- (c) On the Class A-2 Refinancing Date, FirstMac has agreed to apply the proceeds of the GIC Account (including any GIC Authorised Investments realised on or before the Class A-2 Refinancing Date) and the issuance proceeds of any Class A-2R Notes issued on the Class A-2 Refinancing Date towards redeeming the Class A-2 Notes (with any GIC Surplus to be included in the Available Principal Amount for distribution on the next Payment Date after the Class A-2 Refinancing Date).
- (d) If:
- (i) the Manager is unable to arrange for the issue of Class A-2R Notes in accordance with paragraph (b) above; and
 - (ii) the balance of the GIC Account (including any GIC Authorised Investments realised on or before the Class A-2 Refinancing Date) on the Class A-2 Refinancing Date is insufficient to redeem the Class A-2 Notes in full,

each Class A-2 Note outstanding on the Class A-2 Refinancing Date will with effect from the Class A-2 Refinancing Date be converted to a Class A-2R Note (after applying the balance of the GIC Account (including any GIC Authorised Investments realised on or before the Class A-2 Refinancing Date) in reduction of the Invested Amount of such Class A-2 Notes). From that date the Class A-2R Note will be a floating rate note and the Relevant Margin for each Class A-2R Note on and from the Class A-2 Refinancing Date will be the Class A-2R Margin. The Manager must, as soon as reasonably practical, give notice that the Manager is unable to arrange for the issue of the Class A-2R Notes in accordance with paragraph (b) above, and give notice of the applicable margin to all Class A-2 Noteholders (with a copy to FirstMac).

5.3 Interest on the Notes

Floating Rate Notes

Interest on Class A Notes, Class AB Notes and FastPay Notes is paid on the Invested Amount of the relevant Note calculated as at the first day of the relevant Payment Period at the Rate of Interest or Rate of Return for the relevant Note.

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 or capital repayments previously made on that Note.

Interest or returns on Class B-1 Notes and the Class B-2 Notes is paid on the Stated Amount of the relevant Note calculated as at the first day of the relevant Payment Period at the Rate of Interest or Rate of Return for the relevant Note.

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

The Class B-1 Notes and the Class B-2 Notes will also be entitled to be paid interest calculated with reference to the Rate of Interest or Rate of Return for the relevant Note for the relevant Payment Period on the difference between the Invested Amount and the Stated Amount of that Note on the first day of the that Payment Period.

To the extent any Class B Notes are outstanding during any Payment Period commencing after (but excluding) the Payment Date immediately preceding the Class B Step-down Margin Date;

- (a) Class B-1 Notes will accrue further interest calculated with reference to the Class B-1 Residual Margin for the relevant Note; and
- (b) Class B-2 Notes will accrue further returns calculated with reference to the Class B- Residual Margin for the relevant Note,

in each case for the relevant Payment Period on the Invested Amount of that Note on the first day of the that Payment Period.

Interest or returns on the Floating Rate Notes is payable monthly in arrears until the date which Notes are finally redeemed.

Fixed Rate Notes

Interest for the Class A-2 Notes is payable on each Fixed Interest Payment Date and will be calculated as the product of the Rate of Interest for the relevant Note for the relevant Payment Period, the Invested Amount of that Note on the first day of that Payment Period and the RBA Bond Basis.

Interest on the Fixed Rate Notes is payable quarterly in arrears until the date which Notes are finally redeemed.

Final Redemption

Each Note will be finally redeemed, and the obligations of FirstMac with respect to the payment of the Invested Amount of that Note will be finally discharged, on 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 Deed and the Supplementary Terms Notice.

The first payment of interest or return on the Notes will occur on the first Payment Date.

5.4 Calculating Interest

Interest on Floating Rate Notes

Interest or returns on each Floating Rate Note is calculated for each Payment Period:

- (a)
 - (i) at the Rate of Interest (other than for the Class B-2 Notes) or the Rate of Return (for the Class B-2 Notes) for that Note for that Payment Period; multiplied by
 - (ii) in respect of:
 - (A) the Class A Notes (other than the Class A-2 Notes), the Class AB Notes and the FastPay Notes, the aggregate Invested Amount of all Notes of that Class; and
 - (B) the Class B Notes, the aggregate Stated Amount of all Notes of that Class of Notes,
- in each case on the first day of that Payment Period; multiplied by
- (B) the actual number of days in that Payment Period; divided by
 - (C) 365,
- rounded to ten decimal places; divided by

(b) the number of Notes in that Class of Notes,

rounded to ten decimal places and payable in arrears on the Payment Date immediately following the end of the relevant Payment Period.

Additional Top-up Interest

(a) Each Class B-1 Note will also accrue interest on a daily basis in respect of each Payment Period calculated:

(i)

(A) at the Rate of Interest for that Class B-1 Note for that Payment Period; multiplied by

(B) the difference between the aggregate Invested Amount of all Class B-1 Notes on the first day of that Payment Period and the aggregate Stated Amount of the Class B-1 Notes on the first day of that Payment Period; multiplied by

(C) the actual number of days in that Payment Period; divided by

(D) 365,

rounded to ten decimal places; divided by

(ii) the number of Class B-1 Notes,

rounded to ten decimal places and which will be payable in arrears on the Payment Date immediately following the end of the relevant Payment Period.

(b) Each Class B-2 Note will also accrue returns on a daily basis in respect of each Payment Period calculated:

(i)

(A) at the Rate of Return for that Class B-2 Note for that Payment Period; multiplied by

(B) the difference between the aggregate Invested Amount of all Class B-2 Notes on the first day of that Payment Period and the aggregate Stated Amount of the Class B-2 Notes on the first day of that Payment Period; multiplied by

(C) the actual number of days in that Payment Period; divided by

(D) 365,

rounded to ten decimal places; divided by

(ii) the number of Class B-2 Notes,

rounded to ten decimal places and which will be payable in arrears on the Payment Date immediately following the end of the relevant Payment Period.

Residual Margin

To the extent any Class B Notes are outstanding during any Payment Period a commencing after (but excluding) the Payment Date immediately preceding the Class B Step-down Margin Date:

- (a) the Class B-1 Notes will accrue further interest on a daily basis in respect of each Payment Period on and from the Class B Step-down Margin Date calculated:
- (i)
- (A) at the Class B-1 Residual Margin for that Class B-1 Note for that Payment Period; multiplied by
 - (B) in respect of the aggregate Invested Amount of all Notes of the Class B-1 Notes on the first day of that Payment Period; multiplied by
 - (C) the actual number of days in that Payment Period; divided by
 - (D) 365,
- rounded to ten decimal places; divided by
- (ii) the number of Class B-1 Notes,
- rounded to ten decimal places and which will be payable in arrears on the Payment Date immediately following the end of the relevant Payment Period.
- (b) the Class B-2 Notes will accrue further returns on a daily basis in respect of each Payment Period on and from the Class B Step-down Margin Date calculated:
- (i)
- (A) at the Class B-2 Residual Margin for that Class B-2 Note for that Payment Period; multiplied by
 - (B) in respect of the aggregate Invested Amount of all Notes of the Class B-2 Notes on the first day of that Payment Period; multiplied by
 - (C) the actual number of days in that Payment Period; divided by
 - (D) 365,
- rounded to ten decimal places; divided by
- (ii) the number of Class B-2 Notes,
- rounded to ten decimal places and which will be payable in arrears on the Payment Date immediately following the end of the relevant Payment Period.

Interest on Fixed Rate Notes

Interest on Class A-2 Notes is paid on the Invested Amount of the relevant Note calculated as at the first day of the relevant Payment Period at the Rate of Interest for the relevant Note.

Interest for the Class A-2 Notes is payable is on each Fixed Interest Payment Date and will be calculated as the product of:

- (a) the Rate of Interest for the relevant Note for the relevant Payment Period;
- (b) the Invested Amount of that Note on the first day of that Payment Period; and
- (c) the RBA Bond Basis (which will be calculated according to the period from the Issue Date up to (but excluding) the first Fixed Interest Payment Date (in the case of the first quarterly Payment Period for the Class A-2 Notes) and then the number of Fixed Interest Payment Dates in each year (in the case of each following Payment Period).

Each Note will be issued at its Initial Invested Amount, and no interest or returns will accrue on any Note for any period in which the Stated Amount in respect of that Note is zero.

5.5 Rate of Interest or Return and Relevant Margin

The Rate of Interest or Rate of Return (as relevant) in respect of a Payment Period for all Floating Rate Notes is a rate equal to the aggregate of the Bank Bill Rate for all Floating Rate Notes for that Payment Period plus the Relevant Margin.

If the Class A-1 Notes and Class AB 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-1 Notes and the Class AB Notes will increase by 0.25% p.a.

If any Class B Notes are outstanding during any Payment Period commencing after (but excluding) the Payment Date immediately preceding the Class B Step-down Margin Date:

- (a) the Relevant Margin in respect of the Class B-1 Notes will decrease by the Class B-1 Residual Margin; and
- (b) the Relevant Margin in respect of the Class B-2 Notes will decrease by the Class B-2 Residual Margin.

To the extent they are outstanding during any Payment Period commencing after (but excluding) the Payment Date immediately preceding the Class B Step-down Margin Date:

- (a) Class B-1 Notes will accrue further interest calculated with reference to the Class B-1 Residual Margin for the relevant Note; and
- (b) Class B-2 Notes will accrue further returns calculated with reference to the Class B-2 Residual Margin for the relevant Note.

5.6 Interest or Return Payments

If available funds are sufficient for the purpose of making interest or return payments in accordance with the Supplementary Terms Notice, interest or returns 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.

5.7 Payment Period

The first Payment Period for the Notes commences on (and includes) the Issue Date of that Note and ends on (but excludes) the first Payment Date following the Issue Date of the Note. 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.

5.8 Principal Repayment

On each Payment Date, the Principal Repayment Fund will be applied generally for the purpose of making principal or capital repayments under the Notes and also for providing support for the payment of Required Payments by way of a Principal Draw. See section 6.10 (“*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 unless required by law.

5.10 Limit on Rights

Neither the Master Trust Deed nor the General Security Agreement 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 General Security Agreement); or
- (d) wind up the Trust; or
- (e) take any other action which would contravene the intent behind the Master 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 or capital 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 Perpetual Nominees 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, the 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 Regulations. All payments in respect of the Notes lodged into Austraclear will be made to Austraclear Limited, for transfer in accordance with the Austraclear Regulations. All notices to Holders will be directed to Austraclear Limited.

If 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 Regulations.

5.14 Rounding

All payments on the Notes will be rounded to the nearest cent, with half a cent being rounded upwards.

6 Credit Support and Liquidity 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) 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 certain Classes of Notes to the FastPay Notes and Class A Notes - this is intended to provide a certain degree of protection to the Holders of the senior Class of Notes;
- (c) the Principal Draws, Liquid Authorised Investments and the Spread Reserve are available in order to ensure the timely payment of interest or returns to the Holders;
- (d) each Housing Loan will have the benefit of an Insurance Policy. Approximately 99% of all of the Housing Loans will include Timely Payment Cover. Timely Payment Cover will, if necessary, to that extent be available to ensure the timely payment of interest or returns on the Notes.

Credit Support

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 and Enforcement Expenses of the Insurance Policies, and where applicable 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 Series. 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 8.13 (*"Distribution of Total Interest Collections"*)) and following).

6.4 The Subordination of Class AB Notes to Class A Notes and FastPay Notes

Following an Event of Default, the rights of the Holders of Class AB Notes to receive payments of amounts due and payable by FirstMac will be subordinated in priority of payment

to the rights of the Holders of Class A Notes and FastPay Notes (if any) to receive payments of all amounts due and payable by FirstMac, as set out in the Cashflow Allocation Methodology (see section 8 (“*Cashflow Allocation Methodology*”)).

6.5 The Subordination of Class B-1 Notes to Class A Notes, FastPay Notes and Class AB Notes

Following an Event of Default, the rights of the Holders of Class B-1 Notes to receive payments of amounts due and payable by FirstMac will be subordinated in priority of payment to the rights of the Holders of Class A Notes, FastPay Notes (if any) and Class AB Notes to receive all payments of amounts due and payable by FirstMac, as set out in the Cashflow Allocation Methodology (see section 8 (“*Cashflow Allocation Methodology*”)).

6.6 The Subordination of Class B-2 Notes to Class A Notes, FastPay Notes, Class AB Notes and Class B-1 Notes

Following an Event of Default, the rights of the Holders of Class B-2 Notes to receive payments of amounts due and payable by FirstMac will be subordinated in priority of payment to the rights of the Holders of Class A Notes, FastPay Notes (if any), Class AB Notes and Class B-1 Notes to receive all payments of amounts due and payable by FirstMac, as set out in the Cashflow Allocation Methodology (see section 8 (“*Cashflow Allocation Methodology*”)).

6.7 Spread Reserve (to the extent used to meet Liquidation Losses)

FirstMac will establish and maintain in the name of FirstMac a bank account with an Eligible Bank known as the “Firstmac Mortgage Funding Trust Series 3-2012 Spread Reserve” (the “**Spread Reserve**”).

Amounts will only be released from the Spread Reserve:

- (a) meet any shortfall where the Interest Collections, together with any Principal Draw and any Liquid Authorised Investments used to meet a Liquidity Shortfall Deficit, are not sufficient to meet the Required Payments in full on a Payment Date;
- (b) to reimburse any Liquidation Losses where the Stated Amount of Class B-2 Notes have been reduced to zero;
- (c) to be paid to the Residual Income Unitholder on the Final Maturity Date; or
- (d) into the Collection Account to be applied in accordance with section 8.21 (“*Application of proceeds following an Event of Default*”) following the occurrence of an Event of Default and enforcement of the Security.

Liquidity Support

6.8 Liquid Authorised Investments

FirstMac must ensure that it holds and maintains for the Series the Required Authorised Investment Liquidity Amount of the Liquid Authorised Investments at all times. The Required Authorised Investment Liquidity Amount will initially be funded by the proceeds of the issuance of the Notes.

If the Manager determines, on any Determination Date, that the Interest Collections for the relevant Collection Period, the balance of the Spread Reserve, any Extraordinary Expense

Reserve Draw used to meet Required Payments which are Extraordinary Expenses and the Principal Draw 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 equivalent 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 8.13 (*"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.

6.9 Spread Reserve (to the extent used to meet Required Payments)

FirstMac will establish and maintain in the name of FirstMac a bank account with an Eligible Bank known as the "Firstmac Mortgage Funding Trust Series 3-2012 Spread Reserve" (the "**Spread Reserve**").

Amounts will only be released from the Spread Reserve:

- (a) meet any shortfall where the Interest Collections, together with any Principal Draw and any Liquid Authorised Investments used to meet a Liquidity Shortfall Deficit, are not sufficient to meet the Required Payments in full on a Payment Date;
- (b) to reimburse any Liquidation Losses where the Stated Amount of Class B-2 Notes have been reduced to zero;
- (c) to be paid to the Residual Income Unitholder on the Final Maturity Date; or
- (d) into the Collection Account to be applied in accordance with section 8.21 (*"Application of proceeds following an Event of Default"*) following the occurrence of an Event of Default and enforcement of the Security.

The Spread Reserve Account balance starts at nil on the Issue Date. Until (and including) the first Payment Date which the balance of the Spread Reserve is equal to \$1,800,000, an amount of up to 50% of the remainder of Total Interest Collections after the payments described in sections 8.13(a) to 8.13(z) (*"Distribution of Total Interest Collections"*) is to be applied to the Spread Reserve until the balance of the Spread Reserve is equal to \$1,800,000.

6.10 Principal Draw

If the Manager determines on any Determination Date that the aggregate of the Interest Collections for the relevant Collection Period the balance of the Spread Reserve and any Extraordinary Expense Reserve Draw used to meet Required Payments which are Extraordinary Expenses 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**”).

6.11 Extraordinary Expense Reserve

FirstMac will establish and maintain in the name of FirstMac a bank account with an Eligible Bank known as the “FirstMac Mortgage Funding Trust Series 3-2012 Extraordinary Expense Reserve” (the “Extraordinary Expense Reserve”), and maintain in the Extraordinary Expense Reserve an amount equal to the Required Extraordinary Expense Reserve Amount at all times.

Amounts will only be released from the Extraordinary Expense Reserve:

- (a) into the Collection Account on each Payment Date for the purposes of making Extraordinary Expense Reserve Draws;
- (b) to be paid to the Principal Repayment Fund on the Final Maturity Date; or
- (c) into the Collection Account to be applied in accordance with section 8.21 (“*Application of proceeds following an Event of Default*”) following the occurrence of an Event of Default and enforcement of the Security.

The Extraordinary Expense Reserve balance starts at nil on the Issue Date. An amount of up to the remainder of Total Interest Collections after the payments described in sections 8.13(a) to 8.13(jj) is to be applied on each Payment Date to the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve is equal to the Required Extraordinary Expense Reserve Amount.

6.12 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 the Threshold Margin plus the minimum rates required to be set on the Receivables (excluding any Defaulted 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, moneys held in Authorised Investments and other income earned on the GIC Account and GIC Authorised Investments.

6.13 GIC Account

FirstMac will enter into the GIC Agreement with the GIC Provider to establish the GIC Account. Under the GIC Agreement, provided that the GIC Provider has the required short

term and long term credit rating, FirstMac is only permitted to make a withdrawal from the GIC Account in the following circumstances:

- (a) FirstMac may transfer interest paid on the balance of the GIC Account and interest paid on any GIC Authorised Investments acquired using amounts standing to the credit of the GIC Account to the Collections Account on each Payment Date;
- (b) FirstMac may transfer the entire balance of the GIC Account (including any GIC Authorised Investments realised on or before the Class A-2 Refinancing Date) to the Collections Account on the Class A-2 Refinancing Date; and
- (c) the Security Trustee may transfer the entire balance of the GIC Account to the Collections Account following the occurrence of an Event of Default and the enforcement of the Charge.

The GIC Provider has agreed to pay FirstMac an interest rate of the Cash Rate on the balance of the GIC Account, with interest to accrue daily and payable in arrears by the GIC Provider on each Payment Date.

If at any time the GIC Provider ceases to have a short term credit rating of at least A-1+ by S&P and F1 by Fitch Ratings and a long term credit rating of at least AA- by S&P and A by Fitch Ratings (or A+ if Fitch Ratings has placed the GIC Provider on ratings watch negative at the relevant time), then the GIC Provider, the Security Trustee and FirstMac will (on the direction of the Manager) make arrangements within 30 calendar days of becoming aware of the withdrawal or downgrade to novate the GIC Agreement or otherwise procure the transfer of the GIC Account to another financial institution provided that a Rating Notification in relation to each Current Rating Agency has been provided by the Manager in respect of such novation or transfer.

If the Manager (acting reasonably) forms the opinion that the balance of the GIC Account at any time will result in a reduction, qualification or withdrawal of the ratings then assigned by any of the Current Rating Agencies to the Class A-2 Notes, the Manager may direct FirstMac to withdraw an amount from the GIC Account and invest that amount in GIC Authorised Investments which have a maturity prior to the Class A-2 Refinancing Date, provided that a Rating Notification has been provided in respect of the acquisition of those GIC Authorised Investments. The Manager has agreed to direct FirstMac to realise the GIC Authorised Investments on or before the Class A-2 Refinancing Date and deposit the realisation proceeds into the GIC Account.

Following the occurrence of an Event of Default and the enforcement of the Security, the proceeds of any GIC Authorised Investments acquired using amounts standing to the credit of the GIC Account will be applied in accordance with the Master Trust Deed.

7 The Housing Loans

7.1 Origination of Housing Loans

The origination of the Housing Loans is described in section 9.10 (“*Purchase and Origination of Housing Loans*”).

7.2 Servicing of Receivables

The servicing of the Housing Loans is described in section 10.3 (“*Servicing of Receivables*”).

7.3 Redesignation of Housing Loans

The Seller may hold the beneficial interest in Eligible Receivables as a result of purchasing that beneficial interest from the relevant Originator or from holding the beneficial interest in Housing Loans which were originated in the name of a FirstSub for the benefit of FirstMac. Pursuant to the terms of the Master Trust Deed, the Seller may dispose of Eligible Receivables. This process is known as Redesignation. Where the Seller transfers Eligible Receivables to FirstMac, the beneficial interest in the Eligible Receivables is equitably assigned from the Seller.

In respect of the Housing Loans originated by the HSBC Seller, the bare legal title in each Eligible Receivable and Mortgage has been transferred to the relevant FirstSub. In respect of the Housing Loans originated by an Originator other than the HSBC Seller, each FirstSub has been appointed as an agent of FirstMac to originate Housing Loans and Related Security in respect of each relevant trust pursuant to the terms of the Master Origination Deed. In all cases, the relevant FirstSub was appointed as the agent of FirstMac to enter into certain Eligible Receivables originated by an Originator 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 the relevant 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 relevant FirstSub has granted an irrevocable power of attorney to FirstMac to enable it to take such actions permitted under the Transaction Documents to protect its interest in the Eligible Receivables.

7.4 Valuations

All properties in respect of the Housing Loans in the underlying collateral pool originated by FirstMac have had a valuation, supported by a full property inspection, undertaken during the approval process. Valuations in respect of Loans originated by HSBC were of three kinds, an electronic valuation (“**EVR**”) without inspection, an electronic valuation supported by a kerbside inspection and a valuation by a full inspection. The type of valuation obtained was dependent upon loan size, valuation and LVR. EVR valuations are performed by utilising inputs from the valuer and accessing a database of comparable sales, with the system then providing an assessed value. A registered valuer with local knowledge would sign-off on the valuation if acceptable. The valuer had the option of undertaking a kerbside or a full valuation if the system generated assessed value was unacceptable.

7.5 Housing Loans

Loan Characteristics and Servicing

The Housing Loans are loans secured by first registered mortgages over residential real estate. FirstMac does permit direct crediting and salary crediting, however, scheduled payments are made predominantly by direct debit and are paid directly to Indue Limited (formerly Creditlink Services Ltd) (ABN 97 087 822 464) (an Authorised Deposit-taking Institution under the supervision of the Australian Prudential Regulatory Authority) for the account of FirstMac, before being 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 (excluding any Defaulted Receivables) 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 Series.

Loan Types

The Housing Loans comprise a number of different loan types with differing features, but the loans may be categorised generally as either principal and interest loans or interest only loans converting to principal and interest after an initial interest only period. The interest only period may be for terms of between 1-5 years or ten years. Line of credit loans have an interest only term of ten years, however, the credit limit may be reduced at any time at the discretion of the lender and the facility is repayable on demand.

The Housing Loans may be subject to either a variable rate of interest, a capped rate of interest for the two years of the loan term or a fixed rate of interest for terms of between 1-5 years. With the exception of line of credit loans, all Housing Loans include an option to fix subject to the lender's consent. Upon expiry of any fixed interest rate period the interest rate will convert to a variable interest rate, however, the borrower has the option to fix the interest rate for a further term if desired.

Fixed Rate Loans

The Servicer has undertaken to ensure that after the Issue Date, the Outstanding Amount of Housing Loans with a fixed rate will not exceed 6% (or such other percentage which the Manager notifies to each Current Rating Agency and confirms will not, in the Manager's reasonable opinion, result in an Adverse Rating Effect) of the Outstanding Amount of Housing Loans in respect of the Series at the time a fixed rate loan is being entered into.

The Manager has agreed to ensure that:

- (a) any Housing Loans which as at the initial Issue Date were not fixed rate loans but which subsequently become fixed rate loans, are the subject of a Derivative Contract which ensures that:
 - (i) FirstMac's obligations under the Derivative Contract are to pay an amount calculated with reference to the weighted average interest rate on all such Housing Loans; and

- (ii) the interest rate on such Housing Loans (taking into account the relevant Derivative Contracts) is at least equal to the one month Bank Bill Rate plus 2.50% per annum; and
- (b) no further Housing Loans convert to fixed rate loans:
 - (i) after the first Call Date; or
 - (ii) if the hedging arrangements referred to in paragraph (a) have not been effected when required by that paragraph.

Capped Rate Loans

The Servicer has undertaken to ensure that after the Issue Date, the Outstanding Amount of Housing Loans with a capped rate will not exceed 3% (or such other percentage which the Manager notifies to each Current Rating Agency and confirms will not, in the Manager's reasonable opinion, result in an Adverse Rating Effect) of the Outstanding Amount of Housing Loans in respect of the Series.

The Manager has agreed to ensure that Housing Loans subject a capped rate of interest will convert to a fully variable rate and the capped rate will not be extended beyond the initial two years of those Housing Loans, and are the subject of a Derivative Contract which ensures that:

- (a) FirstMac's obligations under the Derivative Contract are to pay an amount calculated by multiplying the appropriate notional amount under the Derivative Contract by the weighted average interest rate on all such capped rate Housing Loans; and
- (b) the interest rate on such Housing Loans (taking into account the relevant Derivative Contracts) is at least equal to the one month Bank Bill Rate plus 2.00% per annum

A redraw of additional payments made to the loan account up to the scheduled loan balance is permitted at the discretion of the lender and, subject to the account not being in arrears.

Certain Housing Loans feature transactional banking facilities, providing customers with the ability to conduct their day to day banking through their loan account by way of cheque book, ATM and EFTPOS debit card access and, internet and telephone banking including electronic bill payment. All Housing Loans are for a maximum period of 30 years and are available to both owner occupiers and investors and, as a consequence, loans may be either regulated or unregulated for the purpose of the Consumer Credit Code. 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 5 years. These are also Assets of the Series.

In the context of verification of the borrowers' employment and income details, all the Housing Loans have been fully certified in that evidence in the form of either pay slips, group certificates, tax returns, tax assessment notices or employer letters have been provided to evidence employment and income.

Insurance

All properties that relate to Housing Loans must have full fire and general insurance with FirstMac's interest noted on the policy as an assignee or mortgagee.

All Housing Loans are also covered by lender's mortgage insurance as described in section 7.6 ("*Insurance Policies and Mortgage Insurers*") below.

Regulation

Housing Loans are subject to regulation under the Consumer Credit Code unless the loan purpose is predominantly for investment purposes in which case the Consumer Credit Code does not apply.

Documentation

All Housing Loans were originated using standard Consumer Credit Code compliant loan documentation prepared for use in each relevant jurisdiction.

Governing law

Each Housing Loan will be governed by the laws of a State or Territory of Australia.

7.6 Insurance Policies and Mortgage Insurers

General

Each Housing Loan is the subject of an Insurance Policy issued by Genworth Financial Mortgage Insurance Pty Ltd (ABN 62 106 975 188) ("**Genworth**") or QBE Lenders' Mortgage Insurance Limited (formerly known as PMI Mortgage Insurance Limited) (ABN 70 000 511 071) ("**QBE**") which insures the payment of the principal outstanding under that Housing Loan (plus interest and other amounts).

The Mortgage Insurers

QBE Lenders' Mortgage Insurance Limited (formerly known as PMI Mortgage Insurance Limited) ("QBE**")**

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

In October 2008, QBE Insurance Group Ltd completed the purchase of PMI Mortgage Insurance Ltd. QBE Lenders Mortgage Insurance Limited's parent is QBE Holdings (AAP) Pty Ltd, a subsidiary of the ultimate parent company, QBE Insurance Group. The QBE Group is one of the top 25 insurers and reinsurers worldwide. QBE Lenders Mortgage Insurance Ltd benefits from a higher rating than that of the other operating entities within the QBE Insurance Group as a result of it having satisfied various financial and operational measures that support its ability to be segmented from the A+ rating applicable to these core operating entities.

QBE currently has an insurer financial strength rating by Standard & Poor's (Australia) Pty Ltd of AA- (Stable) and by Fitch Ratings of AA- (Stable).

The business address of QBE Lenders' Mortgage Insurance Limited is Level 21, 50 Bridge Street, Sydney, New South Wales, Australia, 2000.

Genworth Financial Group

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

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

On March 31, 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 GEMICO**”).

The transfer of the LMI policies was made pursuant to two separate schemes under the Insurance Act 1973 (Cth) (“**Insurance Act**”) approved by both the Australian Prudential Regulation Authority 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 both GEMI and GEMICO (“AA” by Standard & Poor’s and “Aa2” by Moody’s Investors Service) were withdrawn and identical ratings were issued by all three local ratings agencies in respect of Genworth GEMICO.

On or about May 24, 2004, Genworth GEMICO became a wholly owned subsidiary of a newly incorporated and U.S. domiciled entity, Genworth Financial, Inc. (NYSE: GNW) and on November 25, 2005 changed its name to Genworth Financial Mortgage Insurance Pty Limited (ABN 60 106 974 305). 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 25 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 Mortgage Insurance Pty Limited currently has an insurer financial strength rating by Standard & Poor’s of “AA-/(Stable)”.

The principal place of business of Genworth Financial Mortgage Insurance Pty Limited is Level 26, 101 Miller Street, North Sydney, New South Wales, Australia, 2060.

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) the relevant 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 the relevant 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 the relevant FirstSub may insure the property under an approved general insurance policy;
- (f) it is determined that the relevant 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;
- (h) the relevant 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
- (i) it is determined that the relevant 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 the relevant FirstSub following default;
- (b) date of absolute ownership of the relevant property upon foreclosure by the relevant 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 the relevant FirstSub in respect of all Housing Loans insured by GEMI/GEMICO 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 24 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.

The QBE Policy

The policy covers losses to each 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 each 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 each 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 the relevant 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 the relevant 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 the relevant FirstSub nor the Manager has actual or constructive knowledge; or
- (d) there is a breach of the warranties made by the relevant FirstSub as to the accuracy or completeness of material provided by the relevant FirstSub or the Manager to QBE in relation to the insurance of that Housing Loan.

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

QBE 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.

For loans originated by FirstMac Limited, the QBE policy includes 24 month timely payment cover as at the date of origination. For loans originated by HSBC Limited the QBE policy does not include any timely payment cover.

Claims may be made within one month (or such longer period as QBE may approve) from the earlier of settlement of the sale and notification by QBE to submit a claim for loss.

Claims are payable (so far as is practicable) within one month after a proper claim is made.

7.7 Indicative Pool Statistics (Based on pool as at 30 November 2012)

LVR and Loan Size tables are presented on a consolidated basis. Other pool statistics (e.g. seasoning, repayment, occupancy) are presented on an individual loan basis given loan characteristics differ for different loans.

Full Doc no construction, arrears <=15 days

Pool cut date	30-Nov-12
Facility limit	440,000,000.00
Total Number	1,464
Current Value	433,614,870.59
Total value of securities	680,543,678.00
Average Loan Size	241,972.58
Average Loan Size After Cross-Collateralisation	296,185.02
Maximum loan size	750,000.00
WAIR	5.7837
Average Approval LVR	73.14%
Average Current LVR	65.43%
Weighted Average Approval LVR	75.91%
Weighted Average Current LVR	70.87%
Percentage of Portfolio = 80%-95%	21.99%
of which percentage of Portfolio > 90%	1.61%
Minimum LVR	0.00%
Maximum LVR	94.97%
Minimum Original LVR	5.55%
Maximum Original LVR	95.00%
Weighted average seasoning (m)	19.6084
Seasoning min (m)	8.0667
Seasoning max (m)	124.2000
Average term to maturity (m)	338.83
Maximum term (yrs)	30
Maximum maturity	351.93

THE MORTGAGE POOL BY RATE TYPE

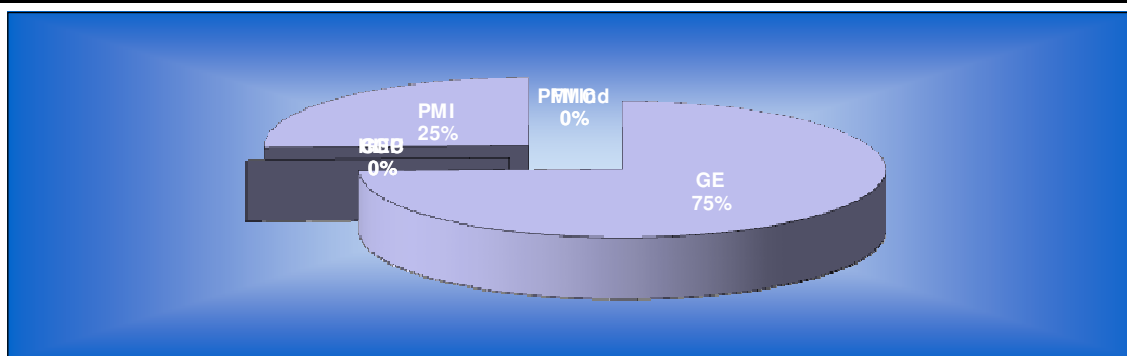
Rate Type	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
Floating	1,402	95.77%	413,403,855.55	95.34%
Fixed	62	4.23%	20,211,015.04	4.66%
Total	1,464	100.00%	433,614,870.59	100.00%

THE MORTGAGE POOL BY CONSTRUCTION FLAG

	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
Not Construction	1,464	100.00%	433,614,870.59	100.00%
Construction	0	0.00%	-	0.00%
Total	1,464	100.00%	433,614,870.59	100.00%

THE MORTGAGE POOL BY LMI PROVIDER

Mortgage Insurer	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
GE	1,093	74.66%	323,069,690.30	74.51%
GEP	1	0.07%	98.42	0.00%
CGU	0	0.00%	-	0.00%
HLIC	0	0.00%	-	0.00%
PMI	370	25.27%	110,545,081.87	25.49%
FMC	0	0.00%	-	0.00%
PMI Ind	0	0.00%	-	0.00%
Total	1,464	100.00%	433,614,870.59	100.00%

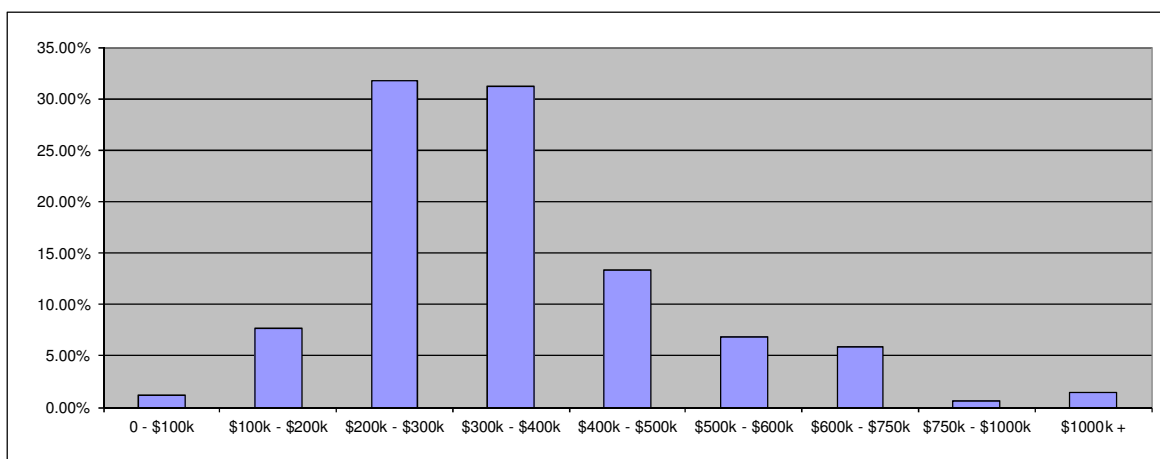


THE MORTGAGE POOL BY TIMELY PAYMENT INSURANCE (CASH FLOW COVER)

	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
12 months or greater	1,242	84.84%	368,434,193.38	84.97%
None	222	15.16%	65,180,677.21	15.03%
Total	1,464	100.00%	433,614,870.59	100.00%

THE MORTGAGE POOL BY LOAN SIZE DISTRIBUTION (Individual Borrower Exposures)

Current Balance Ranges	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
0 - \$100k	90	6.15%	4,973,674.03	1.15%
\$100k - \$200k	212	14.48%	33,503,968.33	7.73%
\$200k - \$300k	533	36.41%	137,608,236.21	31.74%
\$300k - \$400k	397	27.12%	135,198,294.28	31.18%
\$400k - \$500k	131	8.95%	57,951,871.11	13.36%
\$500k - \$600k	55	3.76%	29,898,423.52	6.90%
\$600k - \$750k	38	2.60%	25,547,972.68	5.89%
\$750k - \$1000k	3	0.20%	2,759,193.37	0.64%
\$1000k +	5	0.34%	6,173,237.06	1.42%
Total	1,464	100.00%	433,614,870.59	100.00%

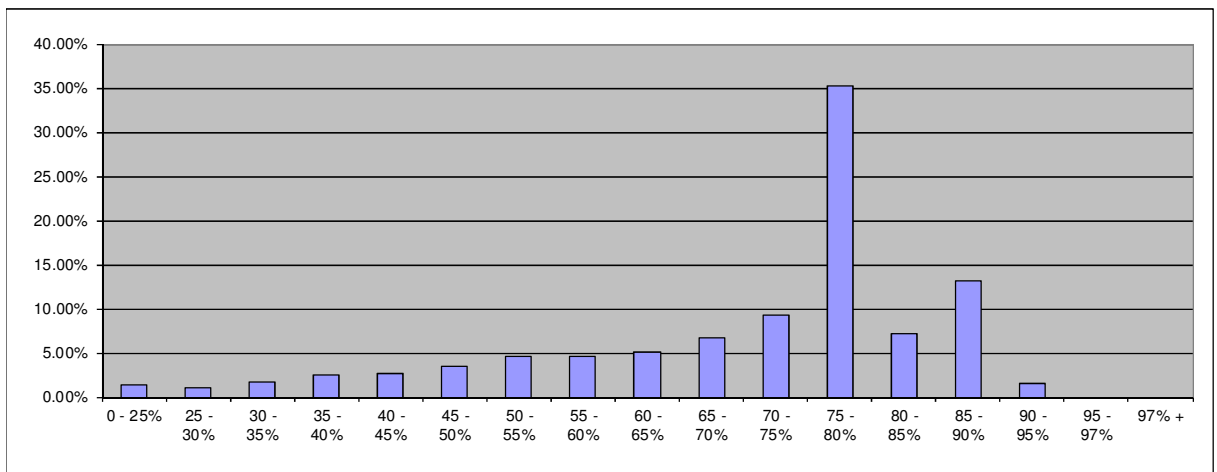


THE MORTGAGE POOL BY PROPERTY VALUE

	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
\$0k - \$300000k	528	29.46%	71,545,280.90	16.50%
\$300000k - \$500000k	854	47.66%	225,391,555.99	51.98%
\$500000k - \$1000000k	373	20.81%	121,583,842.95	28.04%
\$1000000k +	37	2.06%	15,094,190.75	3.48%
Total	1,792	100.00%	433,614,870.59	100.00%

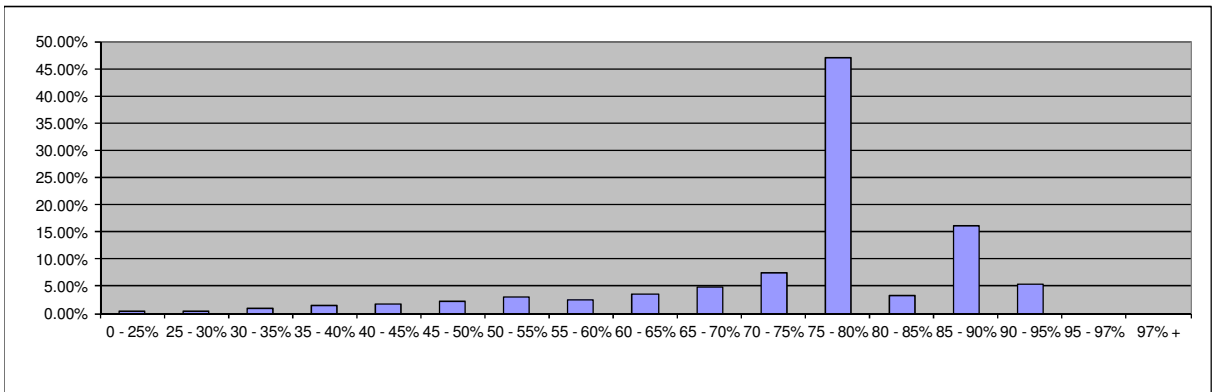
THE MORTGAGE POOL BY CURRENT LVR

LVR Ranges	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
0 - 25%	88	6.01%	5,926,740.38	1.37%
25 - 30%	22	1.50%	4,315,698.06	1.00%
30 - 35%	35	2.39%	7,071,485.69	1.63%
35 - 40%	50	3.42%	10,798,320.21	2.49%
40 - 45%	53	3.62%	11,439,169.61	2.64%
45 - 50%	56	3.83%	14,990,251.86	3.46%
50 - 55%	73	4.99%	20,002,767.52	4.61%
55 - 60%	68	4.64%	19,802,147.23	4.57%
60 - 65%	67	4.58%	21,716,976.34	5.01%
65 - 70%	86	5.87%	28,927,313.04	6.67%
70 - 75%	109	7.45%	40,356,627.62	9.31%
75 - 80%	462	31.56%	152,901,233.43	35.26%
80 - 85%	95	6.49%	31,167,174.55	7.19%
85 - 90%	177	12.09%	57,226,903.85	13.20%
90 - 95%	23	1.57%	6,972,061.20	1.61%
95 - 97%	0	0.00%	-	0.00%
97% +	0	0.00%	-	0.00%
Total	1,464	100.00%	433,614,870.59	100.00%



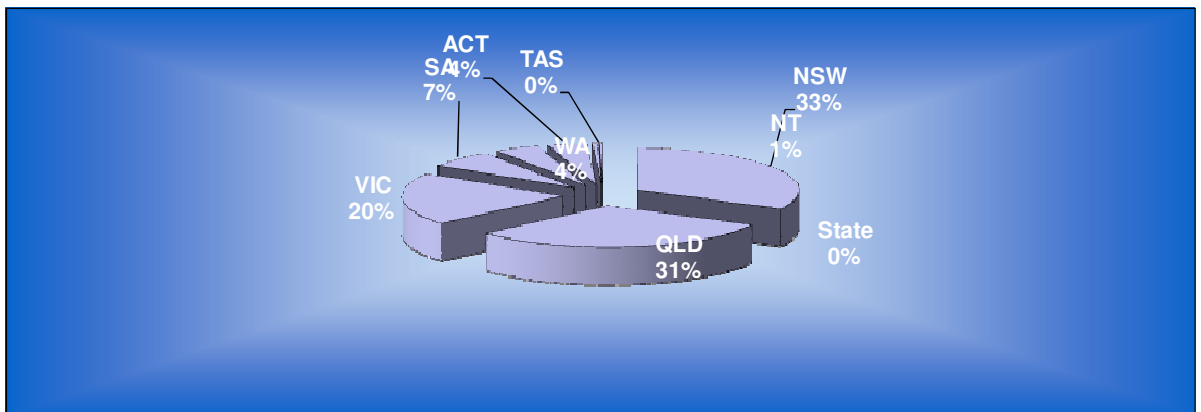
THE MORTGAGE POOL BY APPROVAL LVR

LVR Ranges	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
0 - 25%	23	1.57%	1,357,108.68	0.31%
25 - 30%	16	1.09%	1,937,926.19	0.45%
30 - 35%	20	1.37%	3,408,994.26	0.79%
35 - 40%	28	1.91%	6,315,901.11	1.46%
40 - 45%	34	2.32%	7,108,607.18	1.64%
45 - 50%	45	3.07%	9,219,172.75	2.13%
50 - 55%	48	3.28%	13,003,755.32	3.00%
55 - 60%	46	3.14%	10,920,246.36	2.52%
60 - 65%	61	4.17%	14,775,764.43	3.41%
65 - 70%	68	4.64%	21,437,455.84	4.94%
70 - 75%	90	6.15%	31,921,114.65	7.36%
75 - 80%	646	44.13%	203,985,251.80	47.04%
80 - 85%	45	3.07%	14,308,541.17	3.30%
85 - 90%	223	15.23%	70,239,761.67	16.20%
90 - 95%	71	4.85%	23,675,269.18	5.46%
95 - 97%	0	0.00%	-	0.00%
97% +	0	0.00%	-	0.00%
Total	1,464	100.00%	433,614,870.59	100.00%



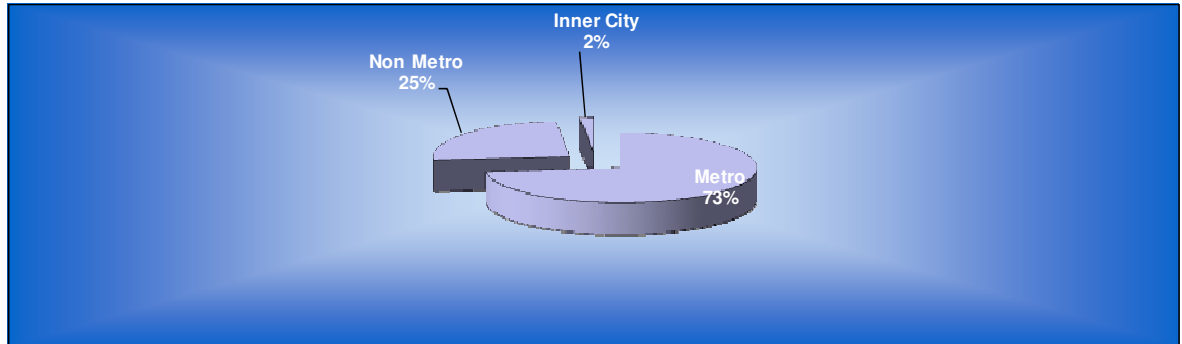
THE MORTGAGE POOL BY GEOGRAPHICAL DISTRIBUTION (1)

State	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
NSW	452	30.87%	141,345,074.79	32.60%
QLD	462	31.56%	134,324,083.13	30.98%
VIC	303	20.70%	88,460,667.40	20.40%
SA	116	7.92%	29,095,005.69	6.71%
WA	66	4.51%	19,380,830.26	4.47%
ACT	46	3.14%	16,951,475.24	3.91%
NT	9	0.61%	2,545,526.92	0.59%
TAS	10	0.68%	1,512,207.16	0.35%
Total	1,464	100.00%	433,614,870.59	100.00%



THE MORTGAGE POOL BY GEOGRAPHICAL DISTRIBUTION (2)

	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
Metro	1,037	70.83%	317,363,306.98	73.19%
Non Metro	401	27.39%	109,185,422.07	25.18%
Inner City	26	1.78%	7,066,141.54	1.63%
Total	1,464	100.00%	433,614,870.59	100.00%



THE MORTGAGE POOL BY PERIOD BEFORE AMORTISATION

PERIOD	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
Amortising (Fully P&I)	783	53.48%	222,220,679.16	51.25%
<= 5	245	16.73%	71,781,290.65	16.55%
<=10	436	29.79%	139,612,900.78	32.20%
<=30	0	0.00%	-	0.00%
Total	1,464	100.00%	433,614,870.59	100.00%

THE MORTGAGE POOL BY DOCUMENTATION

Documentation	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
Full	1464	100.00%	433,614,870.59	100.00%
Low	0	0.00%	-	0.00%
Total	1,464	100.00%	433,614,870.59	100.00%

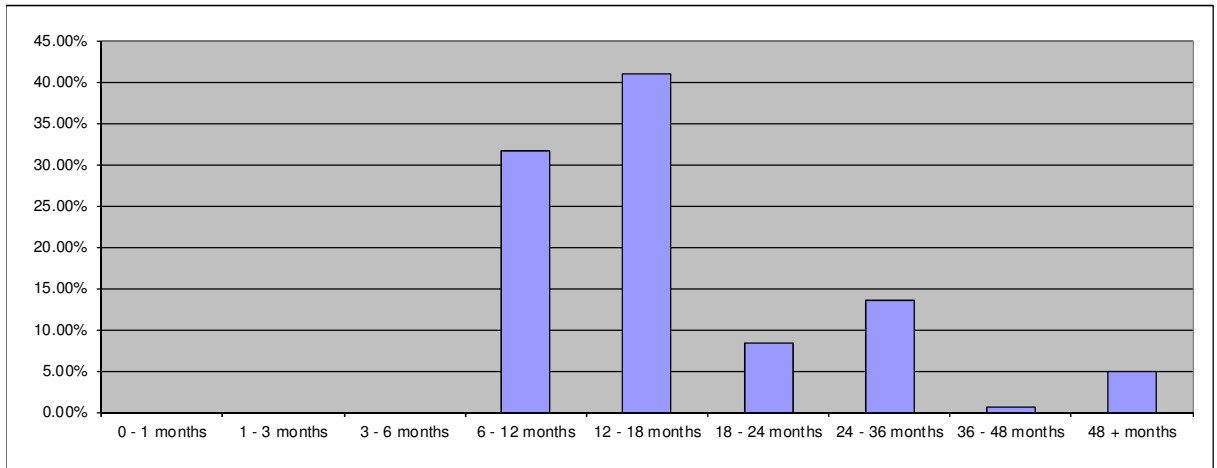
THE MORTGAGE POOL BY UCC REGULATED / LOAN TYPE

Full-doc loans		% of Full-doc	\$ Value	% of Total
UCC Regulated				
Regulated/ Owner Occupied		57.89%	251,020,800.93	57.89%
Non-Regulated/ Investment		42.11%	182,594,069.66	42.11%
Total		100.00%	433,614,870.59	100.00%

Low-doc loans		% of Low-doc	\$ Value	% of Total
UCC Regulated				
Regulated/ Owner Occupied		0.00%	-	0.00%
Non-Regulated/ Investment		0.00%	-	0.00%
Total		0.00%	-	0.00%

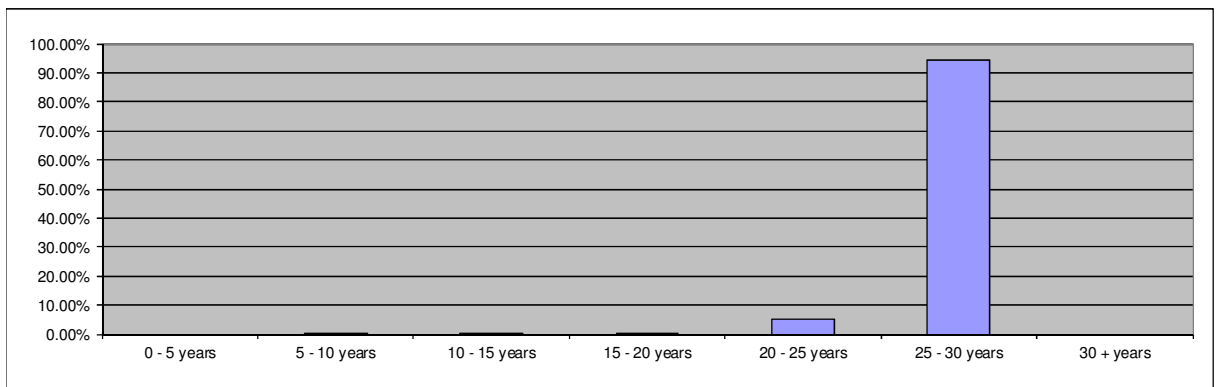
THE MORTGAGE POOL BY SEASONING DISTRIBUTION

Loan Seasoning	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
0 - 1 months	0	0.00%	-	0.00%
1 - 3 months	0	0.00%	-	0.00%
3 - 6 months	0	0.00%	-	0.00%
6 - 12 months	460	31.42%	137,302,996.73	31.66%
12 - 18 months	578	39.48%	177,328,027.12	40.90%
18 - 24 months	110	7.51%	35,898,019.52	8.28%
24 - 36 months	193	13.17%	58,504,873.75	13.49%
36 - 48 months	10	0.65%	2,983,396.02	0.69%
48 + months	114	7.76%	21,597,557.45	4.98%
Total	1,464	100.00%	433,614,870.59	100.00%



THE MORTGAGE POOL BY REMAINING LOAN TERM

Remaining Loan Term	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
0 - 5 years	0	0.00%	-	0.00%
5 - 10 years	4	0.27%	962,463.69	0.22%
10 - 15 years	4	0.27%	763,942.67	0.18%
15 - 20 years	10	0.68%	1,959,921.04	0.45%
20 - 25 years	112	7.67%	21,434,035.10	4.94%
25 - 30 years	1334	91.10%	408,494,508.09	94.21%
30 + years	0	0.00%	-	0.00%
Total	1,464	100.00%	433,614,870.59	100.00%



THE MORTGAGE POOL BY ARREARS - LOAN BALANCES

Days in arrears	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
2 - 5 days	4	66.67%	1,196,241.87	0.28%
5 - 10 days	2	33.33%	559,600.84	0.13%
10 - 15 days	-	0.00%	-	0.00%
15 - 20 days	-	0.00%	-	0.00%
20 - 25 days	-	0.00%	-	0.00%
25 - 30 days	-	0.00%	-	0.00%
30 - 60 days	-	0.00%	-	0.00%
60 - 90 days	-	0.00%	-	0.00%
90 + days	-	0.00%	-	0.00%
Total	6	100.00%	1,755,842.71	0.40%

THE MORTGAGE POOL BY ARREARS - AMOUNT IN ARREARS

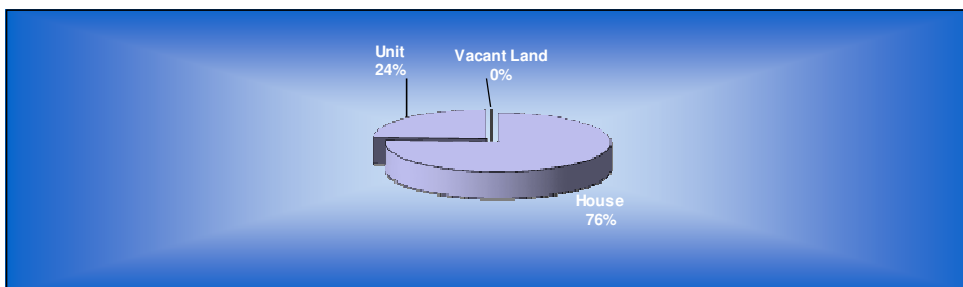
Days in arrears	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
2 - 5 days	4	0.27%	5,835.77	0.00%
5 - 10 days	2	0.14%	4,799.43	0.00%
10 - 15 days	-	0.00%	-	0.00%
15 - 20 days	-	0.00%	-	0.00%
20 - 25 days	-	0.00%	-	0.00%
25 - 30 days	-	0.00%	-	0.00%
30 - 60 days	-	0.00%	-	0.00%
60 - 90 days	-	0.00%	-	0.00%
90 + days	-	0.00%	-	0.00%
Total	6	0.41%	10,635.20	0.00%

THE MORTGAGE POOL BY ARREARS - LOAN BALANCE LESS THAN 15 DAYS IN ARREARS BY MORTGAGE AGE

Age of loan	Number of Loans		Value of Loans	
	Number	% of Total	\$ Arrears Amount	% of Total
0 - 6 months	-	0.00%	-	0.00%
6 - 12 months	2	0.14%	473,685	26.98%
12 - 18 months	-	0.00%	-	0.00%
18 - 24 months	2	0.14%	640,366	36.47%
24 - 30 months	-	0.00%	-	0.00%
30 - 36 months	-	0.00%	-	0.00%
36 - 42 months	-	0.00%	-	0.00%
42 - 48 months	1	0.07%	324,937	18.51%
48 + months	1	0.07%	316,854	18.05%
Total	6	0.41%	1,755,842.71	100.00%

THE MORTGAGE POOL BY PROPERTY TYPE

Property Type	Number of Loans		Value of Loans	
	Number	% of Total	\$ Value	% of Total
House	1,092	74.59%	328,425,825.93	75.74%
Unit	371	25.34%	105,053,699.52	24.23%
Vacant Land	1	0.07%	135,345.14	0.03%
Total	1,464	100.00%	433,614,870.59	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 or returns and repay principal and capital 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 (excluding Borrower Exit Fees during such Collection Period). 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.

For the avoidance of doubt, the proceeds from the issue of Class A-2R Notes will not form part of Collections and will be deposited into the GIC Account to be used to redeem outstanding Class A-2 Notes on the Class A-2 Refinancing Date in accordance with section 8.19 (“*Repayment of Class A-2 Notes on Class A-2 Refinancing Date*”).

8.3 Collection Period Distributions

Prior to an Event of Default and enforcement of the Security and the Master Trust Deed, FirstMac will, on any day other than a Payment Date, apply the 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 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 and any capped rate Receivables for which FirstMac and the Counterparty had entered into transactions under a Derivative Contract (to the extent there are sufficient break costs and early termination amounts (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 in accordance with section 8.13 (“*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 aggregate of the capped rate break costs received from Debtors during the immediately preceding Collection Period;
- (f) the Principal Draw (if any);
- (g) the Spread Reserve Draw (if any);
- (h) the Extraordinary Expense Reserve Draw (if any) ;
- (i) the Class B-2 Carryover Charge-Off (if any);
- (j) the Class B-2 Charge-Off (if any);
- (k) the Class B-1 Carryover Charge-Off (if any);

- (l) the Class B-1 Charge-Off (if any);
- (m) the Class AB Carryover Charge-Off (if any);
- (n) the Class AB Charge-Off (if any);
- (o) the Class A-2 Carryover Charge-Off (if any);
- (p) the Class A-2 Charge-Off (if any);
- (q) the Class A-2R Carryover Charge-Off (if any);
- (r) the Class A-2R Charge-Off (if any);
- (s) the Class A-1 Carryover Charge-Off (if any);
- (t) the Class A-1 Charge-Off (if any);
- (u) the FastPay Carryover Charge-Off (if any);
- (v) the FastPay Charge-Off (if any);
- (w) the Liquid Authorised Investments to be realised (if any);
- (x) the Threshold Amount, and notify the Servicer of such amount when calculated;
- (y) the Accrual Amount for both the immediately preceding Collection Period and for the period from the end of the immediately preceding Collection Period to the Payment Date after that Payment Date; and
- (z) whether the Principal Repayment Fund will be sufficient to meet in full the aggregate of any Redraws provided 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 Derivative 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 (b) 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.
- (f) If the amount calculated as a result of the above formula is a positive number then the amount so calculated will be the Principal Collections for that Collection Period. If the amount calculated as a result of the above formula is negative, then the Principal Collections are equal to zero.

8.7 Spread Reserve Draw

- (a) Subject to paragraph (b), if, on any Determination Date, the Manager determines:
 - (i) that Required Payments for that Payment Period exceeds the Interest Collections for the preceding Collection Period (the amount equal to that excess being the “**Required Payments Deficit**”); or
 - (ii) for a Determination Date where the Stated Amount of the Class B-2 Notes has been reduced to zero, there would be insufficient Total Interest Collections (ignoring any amounts to be withdrawn from the Spread Reserve other than the Required Payments Deficit) on the immediately following Payment Date to reimburse any outstanding Liquidation Losses from that Collection Period (the amount equal to that insufficiency being the “**Liquidation Loss Shortfall Amount**”),

then an amount equal to the lesser of:
 - (A) the sum of the Required Payments Deficit and the Liquidation Loss Shortfall Deficit; and
 - (B) the balance of the Spread Reserve,will be applied from the Spread Reserve on the following Payment Date by FirstMac to meet that shortfall (“**Spread Reserve Draw**”).
- (b) FirstMac will distribute any Spread Reserve Draw in accordance with section 8.13 (“*Distribution of Total Interest Collections*”).

8.8 Extraordinary Expense Reserve Draw

- (a) If Extraordinary Expenses are incurred by the Series in a Collection Period, then to the extent that:
- (i) the Interest Collections for the preceding Collection Period; and
 - (ii) the balance of the Spread Reserve.
- have not been used to pay such Extraordinary Expenses, then an amount equal to the lesser of:
- (iii) such excess Extraordinary Expenses, and
 - (iv) the balance of the Extraordinary Expense Reserve,
- will be applied from the Extraordinary Expense Reserve on the following Payment Date by FirstMac, at the direction of the Manager, to meet those excess Extraordinary Expenses (“**Extraordinary Expense Reserve Draw**”).
- (b) FirstMac, at the direction of the Manager, agrees to utilise any Extraordinary Expense Reserve Draw toward payment of Extraordinary Expenses in the order such Extraordinary Expenses are distributed under section 8.13 (“*Distribution of Total Interest Collections*”).
- (c) Each Extraordinary Expense Reserve Draw made on any Payment Date in accordance with paragraph (b) will be reimbursed out of Total Interest Collections in accordance with section 8.13 (“*Distribution of Total Interest Collections*”).

8.9 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) the balance of the Spread Reserve;
- (c) the Extraordinary Expense Reserve Draw (if any); and
- (d) 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**”).

8.10 Principal Draw

- (a) On each Determination Date, the Manager must calculate the Principal Draw, being an amount equal to the lesser of:
- (i) the aggregate of:

- (A) the Accrual Amount for the period commencing on (but excluding) the last day of the preceding Collection Period but excluding the following Payment Date; and
 - (B) the Liquidity Shortfall calculated on that Determination Date; and
 - (ii) the Principal Collections as calculated on that Determination Date;
- (“**Principal Draw**”).
- (b) FirstMac, at the direction of the Manager, has agreed to distribute any Principal Draw in accordance with section 8.13 (“*Distribution of Total Interest Collections*”).

8.11 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. The Required Authorised Investment Liquidity Amount will initially be funded by the proceeds of the issuance of the Notes. 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 8.13 (“*Distribution of Total Interest Collections*”).

- (b) If the Manager determines, on any Determination Date, that the Liquidity Shortfall exceeds:
 - (i) the Principal Draw on that Determination Date; minus
 - (ii) the Accrual Amount for the period commencing on (but excluding) the last day of the preceding Collection Period but excluding the following Payment Date calculated in accordance with section 8.9 (“*Liquidity Shortfall*”),

(“**Liquidity Shortfall Deficit**”) then the Manager will advise FirstMac of that Liquidity Shortfall Deficit and must direct FirstMac to realise an amount of the Liquid Authorised Investments equal to the Liquidity Shortfall Deficit and apply that amount towards the Total Interest Collections for that Payment Period.

- (c) 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 8.18 (“*Distribution of Principal Repayment Fund*”).
- (d) 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 8.18 (“*Distribution of Principal Repayment Fund*”).

8.12 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 Spread Reserve Draw for that Determination Date;
- (c) any Liquid Authorised Investments realised in accordance with section 8.11(c) (“*Liquid Authorised Investments*”) on that Determination Date; and
- (d) any Principal Draw calculated in accordance with section 8.10 (“*Principal Draw*”) on that Determination Date; and
- (e) any Extraordinary Expense Reserve Draw for 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 8.13 (“*Distribution of Total Interest Collections*”), except that any Extraordinary Expense Reserve Draw will only be applied to meet Extraordinary Expenses.

8.13 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, at the Manager’s discretion, 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, each 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 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 that:
 - (i) where the break costs arise as a result of a transaction being terminated due to the prepayment of any related Receivable, there are sufficient break costs or early termination amounts (without double counting) recovered from Debtors to pay such break costs); and
 - (ii) the Counterparty is not the “defaulting party” or sole “affected party” (for the avoidance of doubt, excluding any break costs payable to each Counterparty where that Counterparty is the “defaulting party” or a sole “affected party”);

- (e) fifth, in payment of any fees of, or any expenses reasonably and properly incurred that are 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 that have been reasonably and properly incurred (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 (other than amounts owing to any Secured Creditor) to the extent not otherwise described in this section 8.13 (“*Distribution of Total Interest Collections*”) incurred during the Collection Period immediately preceding that Payment Date;
- (i) ninth, in payment pari passu and rateably of:
 - (i) any Unpaid Interest on the FastPay Notes owing at that time;
 - (ii) any Unpaid Interest on the Class A Notes (other than Class A-2 Notes) owing at that time; and
 - (iii) if the Payment Date is also a Fixed Interest Payment Date, Unpaid Interest on the Class A-2 Notes owing at that time;
- (j) tenth, in payment pari passu and rateably of any:
 - (i) interest that is due and payable to the Holders of FastPay Notes on that Payment Date; and
 - (ii) interest that is due and payable to the Holders of Class A Notes on that Payment Date;
- (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 pari passu and rateably of any interest due and payable to the Holders of Class AB Notes on that Payment Date;
- (m) thirteenth, in payment pari passu and rateably of any Unpaid Interest on the Class B-1 Notes owing at that time;
- (n) fourteenth, in payment of any interest due and payable to the Holders of Class B-1 Notes (other than Residual Class B-1 Interest) on that Payment Date;
- (o) fifteenth, in payment pari passu and rateably of any Unpaid Returns on the Class B-2 Notes owing at that time;
- (p) sixteenth, in payment of any returns due and payable to the Holders of Class B-2 Notes (other than Residual Class B-2 Return) on that Payment Date;

- (q) seventeenth, in payment of: an amount to be applied towards the purchase of Liquid Authorised Investments in an amount equal to any Liquid Authorised Investments realised on any preceding Determination Date in accordance with section 8.11(a) (“*Liquid Authorised Investments*”) which have not been reimbursed on any preceding Payment Date;
- (r) eighteenth, in reimbursement to the Principal Repayment Fund *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 8.13(r) (“*Distribution of Total Interest Collections*”) in respect of previous Collection Periods;
- (s) nineteenth, pursuant to section 8.15 (“*Allocation of Liquidation Losses*”), in allocation to the Principal Repayment Fund of an amount equal to the aggregate of all FastPay Charge-Offs, all Class A-1 Charge-Offs, all Class A-2 Charge-Offs and all Class A-2R Carryover 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 FastPay Carryover Charge-Offs, all Class A-1 Carryover Charge-Offs, all Class A-2 Carryover Charge-Offs and all Class A-2R Carryover Charge-Offs that remain unreimbursed at that time;
- (u) twenty-first, pursuant to section 8.15 (“*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;
- (v) twenty-second, in allocation to the Principal Repayment Fund of an amount equal to all Class AB Carryover Charge-Offs that remain unreimbursed at that time;
- (w) twenty-third, pursuant to section 8.15 (“*Allocation of Liquidation Losses*”), in allocation to the Principal Repayment Fund of an amount equal to all Class B-1 Charge-Offs on the preceding Determination Date;
- (x) twenty-fourth, in allocation to the Principal Repayment Fund of an amount equal to all Class B-1 Carryover Charge-Offs that remain unreimbursed at that time;
- (y) twenty-fifth, pursuant to section 8.15 (“*Allocation of Liquidation Losses*”), in allocation to the Principal Repayment Fund of an amount equal to all Class B-2 Charge-Offs on the preceding Determination Date;
- (z) twenty-sixth, in allocation to the Principal Repayment Fund of an amount equal to all Class B-2 Carryover Charge-Offs that remain unreimbursed at that time;
- (aa) twenty-seventh, until (and including) the first Payment Date which the balance of the Spread Reserve is equal to \$1,800,000, an amount of up to 50% of the remainder of Total Interest Collections to be applied to the Spread Reserve until the balance of the Spread Reserve is equal to \$1,800,000;

- (bb) twenty-eighth, an amount to be applied to the Extraordinary Expense Reserve until the balance of the Extraordinary Expense Reserve is equal to the Required Extraordinary Expense Reserve Amount;
- (cc) twenty-ninth, in payment pari passu and rateably to the Counterparty of any break costs (which have not been paid in accordance with section 8.13(d)(i) (“*Distribution of Total Interest Collections*”) above) under a Derivative Contract (including interest at the Bank Bill Rate plus 2% p.a. on such costs not paid to the Counterparty in any month);
- (dd) thirtieth, in payment pari passu and rateably of any Unpaid Class B-1 Residual Interest on the Class B-1 Notes owing at that time;
- (ee) thirty-first, in payment of any Residual Class B-1 Interest due and payable to the Holders of Class B-1 Notes on that Payment Date;
- (ff) thirty-second, in payment pari passu and rateably of any Unpaid Residual Class B-2 Return on the Class B-2 Notes owing at that time;
- (gg) thirty-third, in payment of any Residual Class B-2 Return due and payable to the Holders of Class B-2 Notes on that Payment Date;
- (hh) thirty-fourth, the Tax Shortfall (if any) for that Payment Period;
- (ii) thirty-fifth, the Tax Amount (if any) for that Payment Period;
- (jj) thirty-sixth, in payment pari passu and rateably of any other amounts that are not in the nature of principal that are payable by FirstMac under the Transaction Documents not otherwise described in this section 8.13 (“*Distribution of Total Interest Collections*”)
- (kk) thirty-seventh, if the Payment Date falls on any date after the first Call Date, the balance to the Principal Repayment Fund;
- (ll) thirty-eighth, 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 (but excluding) the next Payment Date.

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

8.14 Distribution of income of Trust

On each Payment Date, after all amounts of Total Interest Collections are paid in accordance with section 8.13 (“*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 in accordance with section 8.13(ll) (“*Distribution of Total Interest Collections*”) will also be by way of distribution of the income of the Trust.

8.15 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-2 Notes until the amount so allocated equals the Stated Amount of the Class B-2 Notes (such amount being a “**Class B-2 Charge-Off**”);
- (b) second, upon the Class B-2 Charge-Off equalling the Stated Amount of the Class B-2 Notes as a result of the application of this section, towards the Class B-1 Notes until the amount so allocated equals the Stated Amount of the Class B-1 Notes (such amount being a “**Class B-1 Charge-Off**”);
- (c) third, upon the Class B-1 Charge-Off equalling the Stated Amount of the Class B-1 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
- (d) fourth, upon the Class AB Charge-Off equalling the Stated Amount of the Class AB Notes as a result of the application of this section, towards (pari passu and rateably) the Class A-1 Notes, the Class A-2 Notes, the Class A-2R Notes and the FastPay Notes until the amount so allocated equals the Stated Amount of the Class A-1 Notes, the Class A-2 Notes, the Class A-2R Notes and the FastPay Notes (such amount being respectively a “**Class A-1 Charge-Off**”, “**Class A-2 Charge-Off**” “**Class A-2R Charge-Off**” and “**FastPay Charge-Off**”).

8.16 Carryover 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-2 Charge-Offs, Class B-1 Charge-Offs, Class AB Charge-Offs, Class A-2R Charge-Offs, Class A-2 Charge-Offs, Class A-1 Charge-Offs and FastPay Charge-Offs in accordance with sections 8.13(s), (u), (w) and (y) (“*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) first, reduce the Stated Amount of the Class B-2 Notes by the amount of that excess until the Stated Amount of the Class B-2 Notes is reduced to zero (such amount being a “**Class B-2 Carryover Charge-Off**”);
- (b) second, reduce the Stated Amount of the Class B-1 Notes by the amount of that excess until the Stated Amount of the Class B-1 Notes is reduced to zero (such amount being a “**Class B-1 Carryover Charge-Off**”);
- (c) third, 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
- (d) fourth, reduce (pari passu and rateably) the Stated Amount of the Class A-1 Notes, the Class A-2 Notes, the Class A-2R Notes and the FastPay Notes by the amount of that excess until the Stated Amount of the Class A-1 Notes, the Class A-2 Notes, the Class A-2R Notes and the FastPay Notes is reduced to zero (such amount being

respectively a “Class A-1 Carryover Charge-Off”, “Class A-2 Carryover Charge-Off”, “Class A-2R Carryover Charge-Off” and “FastPay Carryover Charge-Off”).

Amounts charged off may be reinstated in accordance with section 8.17 (“Reinstatement of Carryover Charge-Offs”).

8.17 Reinstatement of Carryover Charge-Offs

To the extent that, on any Determination Date, amounts are available for allocation in accordance with sections 8.13(t), (v), (x) and (z) (“Distribution of Total Interest Collections”), then that amount will be applied on the next Payment Date to increase respectively:

- (a) in respect of section 8.13(t) (“Distribution of Total Interest Collections”), pari passu and rateably, the Stated Amount of the FastPay Notes, the Class A-1 Notes, the Class A-2 Notes and the Class A-2R Notes, until the Stated Amount of the relevant Notes equals the Invested Amount of such Notes;
- (b) in respect of section 8.13(v) (“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;
- (c) in respect of section 8.13(x) (“Distribution of Total Interest Collections”), the Stated Amount of the Class B-1 Notes until the Stated Amount of the Class B-1 Notes equals the Invested Amount of the Class B-1 Notes; and
- (d) in respect of section (z) (“Distribution of Total Interest Collections”), the Stated Amount of the Class B-2 Notes until the Stated Amount of the Class B-2 Notes equals the Invested Amount of the Class B-2 Notes.

8.18 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 allocate to Total Interest Collections the amount of any Principal Draw to be provided on that Payment Date in accordance with section 8.10 (“Principal Draw”);
- (b) second, to repay or reimburse subject to the Supplementary Terms Notice, any Redraws provided in relation to a Receivable to the extent that it has not previously been repaid or reimbursed);
- (c) third, pari passu and rateably to Holders of FastPay Notes of an amount up to the remainder of the Principal Repayment Fund until the Invested Amount of the FastPay Notes has been reduced to zero;
- (d) fourth, if the Pro Rata Test has been satisfied on that Payment Date, an amount up to the remainder of the Principal Repayment Fund will be paid in the following manner:
 - (i) an amount equal to the Class A Pro Rata Amount:
 - (A) first, pari passu and rateably to Holders of the Class A-1 Notes until the Invested Amount of the Class A-1 Notes has been reduced to zero;

- (B) second:
 - (ab) prior to the Class A-2 Refinancing Date, to the GIC Account until the GIC Balance is equal to the aggregate Invested Amount of the Class A-2 Notes at that time; and
 - (bb) on and from the Class A-2 Refinancing Date:
 - (1) first, pari passu to Holders of the Class A-2 Notes, until the Invested Amount of the Class A-2 Notes has been reduced to zero; and
 - (2) second, pari passu to Holders of the Class A-2R Notes, until the Invested Amount of the Class A-2R Notes has been reduced to zero;
- (ii) to the Holders of the Class AB Notes in an amount equal to the Class AB Pro Rata Amount until the Invested Amount of the Class AB Notes has been reduced to zero; and
- (iii) to the Holders of Class B-1 Notes and Class B-2 Notes in an amount equal to the Class B Pro Rata Amount in the following order:
 - (A) first, pari passu and rateably to Holders of the Class B-1 Notes until the Invested Amount of the Class B-1 Notes has been reduced to zero; and
 - (B) second, pari passu and rateably to the Holders of the Class B-2 Notes until the Invested Amount of all Class B-2 Notes has been reduced to zero;
- (e) fifth, pari passu and rateably to the Holders of Class A-1 Notes of an amount up to the remainder of the Principal Repayment Fund until the Invested Amount of the Class A-1 Notes has been reduced to zero;
- (f) sixth, prior to the Class A-2 Refinancing Date, to the GIC Account of an amount up to the remainder of the Principal Repayment Fund until the GIC Balance is equal to the aggregate Invested Amount of the Class A-2 Notes at that time;
- (g) seventh, on and from the Class A-2 Refinancing Date an amount up to the remainder of the Principal Repayment Fund in the following priority:
 - (i) first, pari passu and rateably to the Holders of Class A-2 Notes until the Invested Amount of the Class A-2 Notes has been reduced to zero; and
 - (ii) second, pari passu and rateably to the Holders of Class A-2R Notes until the Invested Amount of the Class A-2R Notes has been reduced to zero;
- (h) eighth, pari passu and rateably to Holders of Class AB Notes of an amount up to the remainder of the Principal Repayment Fund until the Invested Amount of the Class AB Notes has been reduced to zero;
- (i) ninth, pari passu and rateably to Holders of Class B-1 Notes of an amount up to the remainder of the Principal Repayment Fund until the Invested Amount of the Class B-1 Notes has been reduced to zero;

- (j) tenth, pari passu and rateably to Holders of Class B-2 Notes of an amount equal to the lesser of the remainder of the Principal Repayment Fund or the Invested Amount of the Class B-2 Notes; and
- (k) eleventh, pari passu and rateably, the balance to the Residual Capital Unitholders.

FirstMac will only make a payment under any of paragraphs (a) to (k) 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.

8.19 Repayment of Class A-2 Notes on Class A-2 Refinancing Date

- (a) The Manager has agreed to use reasonable endeavours to arrange, on behalf of FirstMac, for the marketing of an issuance of Class A-2R Notes in order to fund the redemption of Class A-2 Notes on the Class A-2 Refinancing Date as described in more detail in section 5.2 (“*Class A-2R Notes*”).
- (b) The redemption of the Class A-2 Notes will also be funded from amounts standing to the credit of the GIC Account (including any GIC Authorised Investments realised on or before the Class A-2 Refinancing Date) on the Class A-2 Refinancing Date. FirstMac has agreed, on the direction of the Manager, to withdraw the balance of the GIC Account on the Class A-2 Refinancing Date and apply those proceeds towards the redemption of the Class A-2 Notes. If the balance of the GIC Account on the Class A-2 Refinancing Date, when added to the issue proceeds of Class A-2R Notes issued to fund the redemption of Class A-2 Notes as described above, is greater than the amount required by FirstMac to redeem all Class A-2 Notes at their Invested Amount on the Class A-2 Refinancing Date (such excess being the “**GIC Surplus**”), the amount of the GIC Surplus will be held in the Collections Account and then included in the Principal Repayment Fund for distribution on the immediately following Payment Date in accordance with section 8.18 (“*Distribution of Principal Repayment Fund*”).
- (c) However, if the Manager is unable to arrange an issuance of Class A-2R Notes described in paragraph (a) above, and the balance of the GIC Account (including any GIC Authorised Investments realised on or before the Class A-2 Refinancing Date) on the Class A-2 Refinancing Date is insufficient to redeem the Class A-2 Notes in full on the Class A-2 Refinancing Date, each Class A-2 Note outstanding (after applying the balance of the GIC Account in reduction of the Invested Amount of such Class A-2 Notes) will with effect from the Class A-2 Refinancing Date be converted to a Class A-2R Note. Such converted Class A-2R Note will be a Floating Rate Note and the Relevant Margin for each such converted Class A-2R Note on and from the Class A-2 Refinancing Date will be the Class A-2R Margin.

8.20 Application of amounts received under the CRD2 Guarantee

If, on or following the CRD2 Guarantee Payment Date, the Security Trustee receives any funds under the CRD2 Guarantee, the Security Trustee agrees to apply those amounts in the following order:

- (a) first, in applying a maximum of the Class A-1 CRD2 Guarantee Allocation towards repayment of the Class A1 Notes until the Invested Amount of the Class A-1 Notes has been reduced to zero;

- (b) second, in applying a maximum of the Class A-2 CRD2 Guarantee Allocation towards repayment of the Class A-2 Notes until the Invested Amount of the Class A-2 Notes has been reduced to zero;
- (c) third, in applying a maximum of the Class A-2R CRD2 Guarantee Allocation towards repayment of the Class A-2R Notes until the Invested Amount of the Class A-2R Notes has been reduced to zero;
- (d) fourth, in applying a maximum of the Class AB CRD2 Guarantee Allocation towards repayment of the Class AB Notes until the Invested Amount of the Class AB Notes has been reduced to zero;
- (e) fifth, in applying a maximum of the Class B-1 CRD2 Guarantee Allocation towards repayment of the Class B-1 Notes until the Invested Amount of the Class B-1 Notes has been reduced to zero; and
- (f) sixth, in applying a maximum of the Class B-2 CRD2 Guarantee Allocation towards repayment of the Class B-2 Notes until the Invested Amount of the Class B-2 Notes has been reduced to zero.

8.21 Application of proceeds following an Event of Default

Following the occurrence of an Event of Default and enforcement of the Security, the Security Trustee must apply all moneys received by it in respect of the Collateral 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 Security in relation to the Assets of the Series;
- (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, the Security Trustee or the Standby Trustee (whether or not acting as trustee of the Trust in respect of the Series);
- (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, each Custodian, the Registrar and the Standby Servicer (other than any amounts owing by FirstMac to the Manager and the Servicer to be applied in accordance with paragraph (k) below);
- (d) fourth, to pay rateably other outgoings and liabilities that FirstMac or the Manager have incurred in acting under the Master Trust Deed and the Supplementary Terms Notice;
- (e) fifth, pari passu and rateably in payment of all amounts due and payable by FirstMac to each Counterparty under any Derivative Contract in respect of the Series (including any break costs payable to each Counterparty where the Counterparty is not the “defaulting party” or sole “affected party” but excluding any break costs payable to each Counterparty where that Counterparty is the “defaulting party” or sole “affected party”);
- (f) sixth, pari passu and rateably in payment of all amounts due and payable by FirstMac to:

- (i) the Holders of FastPay Notes; and
- (ii) the Holders of Class A Notes;
- (g) seventh, pari passu and rateably in payment of all amounts due and payable by FirstMac to the Holders of Class AB Notes;
- (h) eighth, pari passu and rateably in payment of all amounts due and payable by FirstMac to the Holders of Class B-1 Notes;
- (i) ninth, pari passu and rateably in payment to Holders of Class B-2 Notes of an amount equal to the Invested Amount of the Class B-2 Notes;
- (j) tenth, pari passu and rateably in payment of any other amounts owing to the Counterparties under the Derivative Contracts not otherwise paid under paragraph (e) above;
- (k) eleventh, in payment pari passu of all amounts owing by FirstMac to the Manager and the Servicer under the Master Management Deed and the Master Servicer Deed (respectively) in respect of the Series; and
- (l) twelfth, to pay any surplus to FirstMac to be distributed in accordance with the terms of the Master Trust Deed and the Supplementary Terms Notice.

The proceeds of any Collateral which:

- (i) is Cash Collateral; or
- (ii) relates to the CRD2 Guarantee; or
- (iii) otherwise represents moneys or proceeds received by the Security Trustee or a Receiver in respect of Collateral which is Cash Collateral or otherwise relates to the CRD2 Guarantee,

must not be distributed in accordance with this section.

Any such Cash Collateral or moneys received in respect of Cash Collateral (as applicable) shall (subject to the operation of any netting provisions in the relevant Interest Rate Swap, Class A-2 Note Fixed Swap or Derivative Contract) be returned to the relevant Interest Rate Swap Provider, Fixed Rate Swap Provider, Class A-2 Note Fixed Swap Provider or Counterparty following the occurrence of an Event of Default and enforcement of the Security, except to the extent that the relevant Interest Rate Swap, Class A-2 Note Fixed Swap or Derivative Contract requires it to be applied to satisfy any obligation owed to FirstMac by the relevant Interest Rate Swap Provider, Fixed Rate Swap Provider, Class A-2 Note Fixed Swap Provider or Counterparty, as the case may be.

Any proceeds received under the CRD2 Guarantee must be applied in accordance with section 8.20 (“*Application of amounts received under the CRD2 Guarantee*”).

9 Transaction Structure

9.1 Master Trust Deed

The Master Trust Deed was entered into with the Security Trustee to enable FirstMac to acquire, originate and securitise Receivables and Related Securities. Separate trusts may, from time to time, be constituted under the Master Trust Deed. Each trust is separate and distinct from any other trust under the Master 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 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 Deed. The assets of the Trust are allocated to separate "Series", each established by the execution of a "General Security Agreement" and "Supplementary Terms Notice" for that series by FirstMac as trustee in accordance with the Master Trust Deed.

The Series will comprise assets allocated to it by FirstMac and liabilities incurred by FirstMac as trustee in respect of the Series (including liabilities under the Notes) will be secured against those assets under the General Security Agreement 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 Deed and are not available in any circumstances to meet any obligations of FirstMac as trustee in respect of any other series. If, upon enforcement or realisation of the Security, 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 existing Notice of Creation of Trust, on the terms set out in the Master 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 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 Deed or until it has retired or been removed in accordance with the Master 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 Deed contains customary provisions for a document of its 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 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 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 FirstMac will consist of Housing Loans originated by the Originators which satisfy the parameters 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 (“*Asset 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 FirstMac 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 the HSBC Seller, the Receivable has been serviced in a manner which is consistent with the Servicing Procedures and applicable law (including the Consumer Credit Code);
- (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) each Custodian, in accordance with the Servicing Procedures, together hold 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 or a capped 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 including the PPSA);
- (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) the constitution of the Trust;
- (f) it has good title to each Receivable specified in the Receivables Transfer Statement, free of any Encumbrance (other than a Permitted Encumbrance);
- (g) upon acquisition pursuant to a Redesignation of any Receivable in accordance with clause 16 (“*Disposal of Receivables*”) of the Master 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 a Receivables Transfer Statement is enforceable in accordance with its terms against the relevant Debtor;

- (k) each Receivable specified in a Receivables Transfer Statement was entered into in good faith;
- (l) no Debtor was required to open or maintain a deposit account with the Originator in relation to or as a precondition of entering into each relevant Receivable;
- (m) 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 any relevant Receivable;
- (n) other than in respect of priorities granted by statute (other than the PPSA), it has not received notice from any person that claims to have an Encumbrance ranking in priority to or equal with any relevant Receivable or Related Security;
- (o) except if a relevant Receivable is subject to a fixed rate of interest or a capped 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 it, 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 each Receivable and any change will be effective on notice being given to the Debtor in accordance with the terms of any 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 or notice of that sale and assignment is required to be given by or to any person including, without limitation, any Debtor;
- (q) 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
- (r) the sale of the 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 (“*Servicer Representations and Warranties*”) of the Supplementary Terms Notice, the Servicer will give the following representations and warranties in respect of it and the relevant 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 them;
- (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 the Supplementary Terms Notice and the transactions contemplated by 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 and each FirstSub (as applicable) in accordance with their terms (subject to laws relating to insolvency and creditors' rights generally including the PPSA);
- (e) the execution, delivery and performance by it and each FirstSub of the Supplementary Terms Notice does not and will not violate in any material respect any 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) a FirstSub; or
 - (ii) 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 any 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 any Receivable which is an Asset of the Series, each Receivable is enforceable in accordance with its terms against the relevant Debtor;
- (j) in respect of any Receivable which is an Asset 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 any Receivable which is an Asset of the Series, each Receivable was entered into in good faith;
- (l) in respect of any Receivable which is an Asset of the Series, at the time the Receivable (and any Related Security) was originated, the Receivable and any Related Security was originated in good faith and in the ordinary course of the relevant Originator's business and in accordance with its origination manual;
- (m) in respect of any Receivable which is an Asset of the Series, since each Receivable was entered into, the Receivable, has been serviced in a manner which is consistent with the Servicing Procedures and applicable law (including the Consumer Credit Code), and it has complied with the Servicing Procedures and applicable law (including the Consumer Credit Code);

- (n) in respect of any Receivable which is an Asset 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 the Receivable;
- (o) that:
 - (i) it has delivered to the applicable Custodian all documents necessary to enforce the provisions of, and the security created by, the Receivables and each Related Security (if any); and
 - (ii) in accordance with the Master Trust Deed, the Custodians hold all such documents;
- (p) in respect of any Receivable which is an Asset of the Series, other than in respect of priorities granted by statute other than the PPSA, it and each FirstSub have not received notice from any person that claims to have an Encumbrance ranking in priority to or equal with any Receivables or Related Security;
- (q) in respect of any Receivable which is an Asset of the Series, except if a Receivable is subject to a fixed rate of interest or a capped 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 or the relevant FirstSub (as applicable), the interest payable on that 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 that Receivable and any change will be effective on notice being given to the Debtor in accordance with the terms of that Receivable;
- (r) in respect of any Receivable which is an Asset of the Series, the Seller is lawfully entitled to assign any Receivable 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;
- (s) in respect of any Receivable which is an Asset 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
- (t) in respect of any Receivable which is an Asset 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.

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 prior notification of the proposed fee to 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 Master 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.

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

- (a) the appointment of a replacement manager; and
- (b) the retirement of the Security Trustee as manager under the Transaction Documents,

the Security Trustee (or any another person appointed to act as its agent) must act as standby manager 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 manager. The Security Trustee is only required to perform the services specified in the Transaction Documents.

The Security Trustee when acting in this capacity will, regardless of the scope of its obligations from time to time, have all the rights and powers of the Manager under the

Transaction Documents which it may or may not exercise at its discretion. Neither the Security 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 Manager, except where such acts or omissions amount to fraud, gross negligence or wilful default of the Security Trustee or its agent.

9.7 The Servicer

Under the Master Servicer Deed and the Supplementary Terms Notice, FirstMac Limited has 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 subject to the prior written notification of the proposed fee to 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).

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 a Servicer’s 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 relevant 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

The Security Trustee is P.T. Limited. P.T. Limited was incorporated on 10 November 1959 and operates as a Registered Australian public company limited by shares under the Corporations Act 2001 of Australia (“Corporations Act”). The Australian Business Number of P.T. Limited is 67 004 454 666 and its office is Level 12 Angel Place, 123 Pitt Street Sydney NSW, 2000, Australia.

The business of P.T. Limited is the provision of corporate trustee services.

The Master 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 Collateral (as defined below).

General Security Agreement

The Holders have the benefit of a security interest over all the Assets of the Series (the “Collateral”) under the General Security Agreement and the Master Trust Deed. The Security Trustee holds this security interest on behalf of the Secured Creditors (including the Holders) pursuant to the Master Trust Deed and the General Security Agreement and may enforce the security interest 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 pay any amount payable by it in respect of the Senior Obligations on time and in the manner required under the Transaction Documents unless, in the case of a failure to pay on time, FirstMac pays the amount within 5 Business Days of the due date;
- (b) (other obligations) FirstMac:
 - (i) 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; and
 - (ii) if the non-compliance can be remedied, does not remedy the non-compliance within 7 Business Days,
and that failure has a Material Adverse Effect on the Senior Obligations;
- (c) **(General Security Agreement)** the General Security Agreement is not or ceases to be valid and enforceable or FirstMac breaches the terms of clause 3.1 (“*Restricted dealings with any of the Collateral*”) of the General Security Agreement;
- (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 on the Senior Obligations in respect of the Series;
- (e) **(Insolvency Event)**
 - (i) an Insolvency Event occurs in respect of FirstMac (in its capacity as trustee of the Trust) in respect of the Series; 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 60 days of the occurrence of the Insolvency Event;

- (f) **(Illegality)** any Transaction Document is:
 - (A) terminated or is or becomes void, or any other party becomes entitled to terminate, rescind or avoid any Transaction Document where such event results in a Material Adverse Effect on the Senior Obligations; and
 - (B) illegal, unenforceable or of no force or effect;
- (g) **(Trust)** without the prior consent of the Security Trustee:
 - (A) the Trust is wound up, or FirstMac is required to wind up the Trust under the Master Trust Deed or applicable law, or the winding up of the Trust commences;
 - (B) the Trust is held or is conceded by FirstMac not to have been constituted or to have been imperfectly constituted;
 - (C) 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
 - (D) 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 in respect of the Series 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 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 the value of the Eligible Receivables which comprise the assets of the Series, 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)** any Receivable of the Series does not satisfy the Receivables Parameters and FirstMac does not remedy that breach within 30 days; or

- (f) **(other charges)** any charge or guarantee given by FirstMac, a Related Entity or a related FirstSub 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,

the Servicer and Manager must indemnify FirstMac against any loss incurred, and, if appropriate, the relevant defaulting party should be replaced in accordance with the Master Servicer Deed, Master Management 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 Collateral under the Master 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 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 Security, the Security Trustee must apply all moneys received by it in respect of the Collateral in the order described in section 8.21 ("Application of proceeds following an Event of Default").

FirstSub guarantee and security

The relevant FirstSub has entered into a guarantee in favour of the Security Trustee. Under that guarantee, the relevant FirstSub will guarantee the payment by FirstMac of the amounts due by FirstMac to the Secured Creditors. The obligations of the relevant FirstSub under the guarantee will be limited to the extent of the charge provided by the relevant FirstSub in favour of the Security Trustee over the legal title that the relevant FirstSub holds to the relevant Receivables. The relevant FirstSub will also grant an irrevocable power of attorney in favour of FirstMac to take certain actions if a Title Perfection Event occurs.

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 the Master Trust 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 the Master Trust 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 the Master Trust 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 the Master Trust Deed limiting FirstMac's liability do not apply to any obligation or a liability of FirstMac to the extent that it is not satisfied because under the Master Trust Deed or any other Transaction Document in relation to the Series or by operation of law there is a reduction in the extent of FirstMac's indemnification out of the relevant Assets of the 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 Master Trust Deed 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 Master Trust Deed) will be considered fraud, gross negligence or wilful default for the purpose of the Master Trust Deed 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 the Master Trust 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 Master Trust Deed.

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

The provisions of the Master Trust Deed described in this section 9.9(a) ("*Limitation on FirstMac's liability*"):

- (A) are paramount and apply regardless of any other provision of the Master Trust and Security Trust 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 the Master Trust Deed for any reason; and
- (C) are not severable from the Transaction Documents.

Notwithstanding any other provision of any 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 the Master Trust 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 section and performance of the action (or non-performance of which gave rise to such breach) is a precondition to FirstMac performing its obligations under the Master Trust Deed.

(c) No restriction on action

Nothing in the provisions of the Master Trust Deed referred to in sections 9.9(a) ("*Limitation on FirstMac's liability*") and 9.9(b) ("*Indemnity*") above are 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 Collateral which relates to that Series.

The realisation of the Collateral which relates to the Series and its application towards the Secured Money of the Series in accordance with the Transaction Documents of the Series constitutes a complete discharge of 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 section 9.9(d) (“*Limited recourse*”) did not apply (being the shortfall after the realisation of that part of the Collateral which relates to the Series and its application towards the Secured Money of the 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 one or more of their behalf, may:

- (A) do anything necessary to enforce their rights in connection with the Collateral of the Series; and
- (B) take proceedings to obtain:
 - (A) an injunction or other order to restrain any breach of the Transaction Documents of the Series by FirstMac; or
 - (B) 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 Security or any Receiver appointed to the Collateral of the Series) may incur any liability on behalf of FirstMac except a liability which is subject to this section.

9.10 Purchase and Origination of Housing Loans

Origination of Housing Loans by FirstMac Originators

In respect of the Housing Loans originated by the FirstMac Originators in the name of a FirstSub, FirstMac has appointed each FirstSub as its agent to originate Housing Loans and Related Security in respect of each relevant trust pursuant to the terms of the Master Origination Deed. Each FirstSub 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.

Origination of Housing Loans by HSBC Seller

In respect of the Housing Loans originated by the HSBC Seller, Residential loan applications were processed through an automated application processing and decision-making system with a Centralised Underwriting Team to manually assess any application not automatically approved and complete loan verification requirements on all loan applications, regardless of automated approval or not. The HSBC Seller did not delegate loan approval authority to third parties.

The HSBC credit Policy was approved at both Local and Regional levels. A small portion of the loan portfolio was acquired from the purchase of the former NRMA Building Society by the HSBC Seller but the majority of the loan portfolio was subject to HSBC Credit Policy.

HSBC Credit Policy was consistent with conservative lending standards and included requirements for security quality, a satisfactory credit history, stable employment history, LVR restrictions based on security location and a minimum disposable income level after all commitments to ensure debt service capacity.

The HSBC Seller verified income and employment on all loan applications. The verification process included a review of the applicant's employment history and pay advice and/or tax returns. A statement of the applicant's current assets and liabilities was also obtained.

Purchase of Housing Loans from the HSBC Seller

In December 2006, FirstMac purchased a \$2.2 billion loan portfolio from the HSBC Seller. The portfolio represented the majority of the HSBC Seller's third party broker introduced prime loan business.

These loans, which were HSBC Bank branded loans, were introduced to the HSBC Seller in the main by major mortgage aggregators who are highly regarded in the marketplace and who have proven track records in introducing good quality home loans to major and second tier banks, and non-bank financial institutions in Australia.

The mortgage brokers were responsible for sourcing the loan enquiry, obtaining the loan application and all necessary supporting documentation. Upon receipt of loan applications the HSBC Seller obtained credit reference reports, commissioned valuations, undertook the credit analysis and approved or declined applications as the case may be. The HSBC Seller's credit process was centralized with nominated staff approval limits. There was no delegated approval authority to third parties.

All loan documentation was prepared in-house by the HSBC Seller and the HSBC Seller facilitated the settlement of the loans either directly or in conjunction with approved panel solicitors.

Pursuant to the terms of the Master Trust Deed, FirstMac in its capacity as trustee of the Trust in respect of a Relevant Series may dispose of its interest in the Receivables. Where FirstMac in its capacity as trustee of the Trust (including in respect of a Relevant Series) transfers Housing Loans to FirstMac, the beneficial interest in the Housing Loans is transferred from FirstMac in its capacity as trustee of the Trust in respect of a Relevant Series to FirstMac (in its capacity as trustee of the Trust and in respect of the Series). The legal title remains with the relevant FirstSub.

9.11 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 the Manager notifies to each Current Rating Agency and confirms in writing will not, in the Manager's reasonable opinion, 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 FirstMac

FirstMac Limited (“FML”) (formerly FirstMac Mortgage Management Limited, and before that, Nationale Limited) is a wholly Australian owned, privately held company, headquartered in Brisbane with offices in Sydney and Melbourne. Since 1988 FML’s core business has been the origination and management of prime residential home loans.

FML holds an Australian Financial Services Licence (No. 290600) 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 also has a loan portfolio servicer rating of Strong from Standard & Poor’s (Australia) Pty Ltd.

FML originates residential home loans under both its own brand and third party brands. Loans are sourced through FML’s own retail business and through an Australia wide network of accredited brokers. FML also supports a wholesale programme that distributes ‘white label’ third party branded loan products nationally to a large number of accredited mortgage managers. Loans are initially funded through warehouse facilities arranged by Westpac, ANZ and HSBC banks.

For long term funding, FML has accessed both domestic and off-shore capital markets by way of residential mortgage backed securities (“RMBS”) issuance. Since its inaugural issue in September 2003, FirstMac has been a regular participant in the securitisation market having undertaken twenty-four public and private residential mortgage RMBS transactions totalling in excess of \$10 billion.

Notwithstanding the disruption to the global financial markets experienced since 2007, FML has undertaken six transactions totalling \$2.7 billion with the support of the Australian Office of Financial Management as a cornerstone investor and two transactions without Government support. The Australian Office of Financial Management has again been approached to participate in this transaction.

The FML loan portfolio currently stands at approximately \$4.5 billion.

10.2 Management Profile

FML Board of Directors

(a) Kim Cannon - Managing Director

Kim has extensive knowledge of all of the company’s activities. He founded the business model, structure and operations in 1979 and has overseen subsequent changes throughout the preceding thirty years taking the company from a lease brokerage to being one of Australia’s largest non-Bank Lenders and Securitizers. Kim has been a Director of Firstmac Limited since 15 August 2000 being the date of the company’s incorporation.

(b) Rod Minell – Director

Rod has over 25 years investment banking experience. He was previously an executive director of Imagine Group (Australia) Pty Limited, a wholly owned subsidiary of diversified financial conglomerate, Brookfield Asset Management, Canada (NYSE: BAM) 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 and 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 a member of the Council and former deputy chairman Australian Red Cross NSW. He has been a Director of Firstmac Limited since 11 November 2004.

(c) Andrew Kemp - Chairman and Non Executive Director

Andrew heads Huntington Group Pty Limited, a Brisbane based corporate advisory company. He has experience in chartered accounting with KPMG and Littlewoods, merchant banking with AIFC (an affiliate of ANZ Banking Group) and since 1987 with Huntington Group. He is currently a Non-Executive Director of PTB Group Limited (since August 2006), Silver Chef Limited (since April 2005), G8 Education Limited (since March 2011) and Chairman of Trojan Equity Limited (since March 2005). He has been a Director of Firstmac Limited since 7 January 2002.

(d) Bede King - Non Executive Director

Bede is a practising Solicitor and Managing Partner of Tobin King Lateef Solicitors and Notaries. He has extensive legal expertise in the commercial and property sectors and in managed investments/compliance areas. He is a member of a number of compliance committees including for WHTM Capital Management Limited, Anthony Moreton Group Funds Management Limited, Solaris Investment Management Limited and Pinnacle RE Services Limited. He is a Director of Silver Chef Limited (ASX listed) and its subsidiary companies in Australia and New Zealand, a Board Member of St Aidan's Foundation Limited and a Member of the Board of Management of Synapse. Bede is an Associate Member of the Financial Services Institute of Australasia and the Australian Institute of Company Directors. He has been a Director of Firstmac Limited since 7 January 2004.

Key Management

(e) 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.

(f) James Austin - Chief Financial Officer

James is the CFO of Firstmac Limited, a role he has held since 2005. He managed the acquisition and integration of HSBC's \$2.2 billion residential mortgage portfolio in 2006, has overseen the Issuance of more than \$7 billion of RMBS and has managed Firstmac through the volatile global funding markets of recent times. The Group is now on track for growth and expansion.

James studied at Queensland University of Technology where he obtained his Bachelor of Business (Accounting). He joined KPMG Brisbane where he attained his ACA qualifications with the Institute of Chartered Accountants.

Recognising the benefits of broad international finance experience, James left Brisbane in the early 1990s and worked for CSFB and Abbey National London in London before returning to Australia to work with HSBC in Sydney. After three years in Sydney James was promoted to the position of Chief Operating Officer ,HSBC Japan where he stayed for a further six years.

James built a wealth of knowledge in treasury and capital markets and developed expertise in debt, equity, and derivative markets including Issuance, trading, market risk management, valuations, and settlements.

(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 Practicing 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) 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.

10.3 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 system 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 who have 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 Custodians' 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 Collateral 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\$20 million.

10.4 Standby Servicing

The Standby Servicer to this transaction is Perpetual Trustee Company Limited (“**Perpetual**”). Perpetual and FML have now implemented a 'warm' standby servicing arrangement to better facilitate the transfer of servicing responsibilities from the servicer to the standby servicer. A Standby Loan Servicing Plan has been formulated which incorporates sufficient information and procedural guidance for Perpetual staff to continue servicing the mortgage assets. FirstMac is satisfied that the plan extends to all aspects of loan servicing including arrears management, LMI reporting and claim management processes.

11 Taxation Considerations

The following is a summary of the material Australian tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “Australian Tax Act”) of the purchase, ownership and disposition of the Notes (other than the Class B-2 Notes and FastPay Notes) by Holders who purchase the Notes on original issuance at the stated offering price and hold the Notes on capital account. 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 Holders).

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

The following is a general guide and should be treated with appropriate caution. Each prospective investor should consult his or her own tax advisors concerning the tax consequences, in their particular circumstances, of the purchase, ownership and disposition of the Notes.

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 in their capacity 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.

The issue of any of the 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

Since 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:

- (a) any entity that benefits, or is capable of benefiting, under the trust (“**Beneficiary**”), either directly or through any interposed entities; and
- (b) any entity that is an “associate” of a Beneficiary that is an individual or a company. As the Beneficiaries are companies, an “associate” of a Beneficiary for these purposes includes:
 - (i) a person or entity that 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 that is an “associate” of another person or entity that is an “associate” of the Beneficiary under (i) above.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (c) and (d) above), the issue of the Notes to, and the payment of interest to, the following “associates” will not be subject to IWT:

- (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” that 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 at or 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

Unless otherwise specified in any relevant Series Supplement (or another relevant supplement to this Information Memorandum), FirstMac intends to issue the Class A Notes, Class AB Notes and Class B-1 Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

Exemptions under recent Tax Treaties

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

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

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; or
- a “financial institution” which is a resident of a “Specified Country” and which is unrelated to and dealing wholly independently with the Australian Issuer. The term “financial institution” refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. (However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.)

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation which is available to the public at the Federal Treasury’s Department’s website at: <http://www.treasury.gov.au>.

No payment of additional amounts

Despite the fact that the Notes (other than the Class B-2 Notes and FastPay 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 a Series 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 in respect of the Notes, FirstMac is not obliged to pay any additional amounts in respect of such deduction or withholding.

11.2 Goods and Services Tax (“GST”)

If an entity makes a “taxable supply”, it is required to remit GST to the Australian Taxation Office at the rate of 10% based on the value of that supply.

For GST purposes, trusts are treated as a separate entity, albeit a trust is not a legal entity. To give effect to this GST fiction, a supply or acquisition that is made by the trustee of a trust, in its capacity as trustee (as opposed to its personal capacity), is treated as having been made by the trust. References below to supplies or acquisitions that are made by the Trust are a reference to supplies or acquisitions that will be made by FirstMac in its capacity as trustee.

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

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

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

- (a) the supplier of a service has the primary obligation to account for GST in respect of that supply, and in the ordinary course of business, the service provider would seek to recoup the GST and charge the Trust in respect of the Series an additional amount on account of GST unless the agreed fee is already GST-inclusive.
- (b) assuming that the Trust exceeds the financial acquisitions threshold for the purposes of Division 189 of the GST Act, which is likely to be the case, the Trust would not be entitled to a full input tax credit from the ATO to the extent that the acquisition relates to:
 - (i) the Trust's input taxed supply of issuing Notes to:
 - (A) Australian residents; or
 - (B) to non-residents acting through a fixed place of business in Australia; and
 - (ii) the acquisition by the Trust of the Housing Loans.

In the case of acquisitions which relate to the making of supplies of the nature described above, the Trust may still be entitled to a "reduced input tax credit" (which is equal to 75% of 1/11th of the GST-inclusive consideration payable by the Trust to the person making the taxable supply) in relation to certain acquisitions prescribed in the GST regulations, but only where the Trust is the recipient of the taxable supply and the Trust either provides or is liable to provide the consideration for the taxable supply.

From 1 July 2012, changes were made to the GST rules concerning reduced input tax credits for the acquisition of trustee services by "recognised trust schemes". If the Trust is a "recognised trust scheme" (as defined) then the rate of reduced input tax credit available to the Trust in respect of the acquisition of trustee services from FirstMac and the Security Trustee would be 55% instead of 75%. However it is not anticipated that the Trust will be a "recognised trust scheme" (as defined). Therefore the applicable rate of reduced input tax credit in respect of the acquisition of the relevant trustee services should be 75% (and not 55%).

- (c) Where services are provided to the Trust by an entity comprising an "associate" of the Trust for income tax purposes, those services are provided for nil or less than market value consideration, and the Trust would not be entitled to a full input tax credit, the relevant GST (and any input tax credit or reduced input tax credit) would be calculated by reference to the market value of those services (as opposed to any fee charged for the service). The associate may be entitled to recover the GST calculated by reference to the market value of the services from the Trust.

In the case of supplies performed outside Australia for the purposes of the Trust's business, these may attract a liability for Australian GST if they are supplies of a kind which would have been taxable if they occurred in Australia and if the Trust would not have been entitled to a full input tax credit if the supply had been performed in Australia. This is known as the "reverse charge" rule. Where the rule applies, the liability to pay GST to the ATO falls not on the supplier, but on the Trust.

Where services are performed offshore for the Trust and the supplies relate solely to the issue of Notes by the Trust to Australian non-residents who subscribe for the Notes through a fixed place of business outside Australia, the "reverse charge" rule should not apply to these offshore supplies. This is because the Trust would have been entitled to a full input tax credit for the acquisition of these supplies if the supplies had been performed in Australia.

Where GST is payable on a taxable supply made to the Trust in respect of the Series but a full input tax credit is not available, this will mean that less money is available to pay interest on the Notes or other liabilities of the Series.

11.3 Other tax matters

Under Australian laws as presently in effect:

- (a) *income tax - non-Australian Holders* - assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes (other than the Class B-2 Notes and FastPay Notes), payments 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 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 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 - non-Australian Holders* - a Holder, 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 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 would not be regarded as having an Australian source; and
- (d) *gains on disposal of Notes - Australian 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) *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
 - (f) *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
 - (g) *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**") or an Australian Business Number ("**ABN**") (in certain circumstances) or provided proof of some other exception (as appropriate). Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the 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 does not quote a TFN or ABN or provide proof of an appropriate exemption (as appropriate); and
 - (h) *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
 - (i) *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, other than the Class B-2 Notes, are to be characterised as "debt interests" for the purposes of the tests contained in Division 974 and 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 adversely affect the Australian tax treatment of Holders of Notes; and
 - (j) *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. If the Notes are not issued at a discount and do not have a maturity premium, these rules should not apply to the Notes. These rules also do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the Notes had been held to maturity by a non-resident; and
 - (k) *additional withholdings from certain payments to non-residents* - Section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, Section 12-315 expressly provides that the regulations will not apply to

interest and other payments which are treated as interest under the IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations that have so far been promulgated under Section 12-315 prior to the date of this Information Memorandum are not applicable to any payments in respect of the Notes. Any further regulations also should not apply to repayments of principal or capital 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.

11.4 Thin capitalisation

The thin capitalisation rules are contained in Division 820 of the Australian Tax Act. These rules deal with Australian resident groups and other Australian resident entities with overseas operations, where the relevant Australian resident entities are deemed to have excessive debt.

Under Section 820-39 of the Australian Tax Act certain bona fide securitisation vehicles are exempt from the thin capitalisation rules. An entity will come within the exemption where the following conditions are met:

- (a) the entity is established for the purpose of managing some or all of the economic risk associated with assets, liabilities or investments (whether the entity assumes the risk from another entity or creates the risk itself);
- (b) at least 50% of the entity's assets are funded by debt interests; and
- (c) the entity is an insolvency remote special purpose entity according to the criteria of an internationally recognised rating agency applicable to the entity's circumstances.

The Trust is expected to satisfy the above conditions (and thus be exempt from the thin capitalisation rules).

11.5 Tax Consolidation Rules

Under the tax consolidation rules, the Trust will not form part of a consolidatable group (and, as such, the tax consolidation rules will not adversely apply to it (or FirstMac)). The Trust will not constitute a head company for consolidation purposes (as the Trust is not a company). The Trust will not constitute an Australian subsidiary member, as no entity owns all the beneficial interests in the Trust.

11.6 Taxation of Financial Arrangements

Division 230 of the Australian Tax Act represents a code for the taxation of receipts and payments in relation to financial arrangements. The rules contemplate a number of different methods for bringing to account gains and losses in relation to "financial arrangements" (including, fair value, accruals, retranslation, realisation, hedging and financial reports). Division 230 should not override the exemption available under section 128F of the Australian Tax Act.

11.7 Mutual assistance in the collection of debts

The Commissioner of Taxation has some powers to collect a taxation debt on behalf of a foreign taxation authority if formally requested to do so, or to take conservancy measures to

ensure the collection of that debt. These powers are contained in Division 263 in Schedule 1 of the Taxation Administration Act. Conservancy is concerned with preventing a taxpaying entity from dissipating their assets when they have a tax related liability. The provisions also treat Australian tax debts collected and remitted to Australia by a foreign tax authority as tax debts collected in Australia. In certain circumstances, any foreign tax liabilities of a non-resident Holder of the Notes the subject of the measures may be collected by Australia on behalf of another country.

11.8 Taxation of the Trust

The Trust will be subject to Australian tax. FirstMac is entitled under current tax laws to deduct, against the Trust's income, all expenses incurred by it in deriving that income (including interest paid or accrued on account of the Notes). It is anticipated that there should not be any income of the Trust as at the end of each of the Trust's tax years in respect of which FirstMac could be liable for income tax either as trustee of the Trust or personally (but, rather, the taxable income of the Trust is intended to be allocated to, and taxed in the hands of First Mortgage Company Pty Limited, as the Residual Income Unitholder of the Trust).

12 Selling Restrictions

12.1 Introduction

No action has been taken by FirstMac or the Joint Lead Managers which would or is intended to permit a public offer of the Class A Notes, Class AB Notes, Class B Notes (together the “**Relevant Notes**”) in any country or jurisdiction where action for that purpose is required. The offer does not constitute an offer to a “retail client” for the purposes of Chapter 7 of the Corporations Act. All Notes will be offered to wholesale investors only. 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 Notes has been or will be lodged with ASIC or the ASX and:

- (a) no invitation or offer of the Notes has been or will be made for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) no Information Memorandum or any other offering material or advertisement relating to any Notes in Australia may be distributed or published, 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 any other applicable laws, regulations or directives in Australia; and
 - (iv) such action does not require any document to be lodged with ASIC.

12.3 The United States of America

The 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 Notes may not be offered, sold, delivered or transferred within the United States of America, its territories or possession or to, or for the account or benefit of, a “U.S. person” (as defined in Regulation S under the Securities Act (“**Regulation S**”)) at any time except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act.

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**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) no person may make an offer of 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 Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus or other offering material in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus or other offering material has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus, other offering material or final terms, as applicable and FirstMac has consented in writing to its use for the purpose of a Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant dealer or dealers nominated by FirstMac for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require FirstMac or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

12.5 The United Kingdom

In relation to each Class of Relevant Notes, each person subscribing for the Relevant Notes:

- (a) may only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the 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) must comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Relevant Notes in, from or otherwise involving the United Kingdom.

12.6 General

These selling restrictions may be modified by the agreement of FirstMac and each Joint Lead Manager following a change in or clarification of a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country concerned or any change in or introduction of any of them or in their 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.

However, that the term “Transaction Documents” appearing throughout this Information Memorandum has the meaning given to that term in section 15 (“*Glossary of Terms*”).

13.1 Master Trust Documents

- FirstMac Trusts Master Definitions Schedule dated 23 June 2003 between FirstMac and the Security Trustee (“**Master Definitions Schedule**”);
- FirstMac Trusts Master Trust Deed dated 23 June 2003 between FirstMac, the Security Trustee and others (“**Master Trust Deed**”);
- FirstMac Trusts Master Management Deed dated 23 June 2003 between FirstMac, the Manager and the Security Trustee (“**Master Management Deed**”); 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 3-2012 Documents

- Notice of Creation of Security Trust given by FirstMac dated December 2012 constituting the FirstMac Mortgage Funding Trust Series 3-2012 Security Trust (“**Notice of Creation of Security Trust**”);
- FirstMac Mortgage Funding Trust Series 3-2012 Supplementary Terms Notice dated December 2012 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 3-2012 General Security Agreement dated December 2012 between FirstMac and the Security Trustee (“**General Security Agreement**”);
- The ISDA Master Agreement and the Schedule to it between FirstMac, the Manager and the Counterparty (a “**Derivative Contract**”);
- Delegation and Calculation Agency Deed (FirstMac Mortgage Funding Trust) dated 24 April 2009 between FirstMac, the Manager and Perpetual Nominees Limited (ABN 37 000 733 700) (“**Delegation Deed**”);
- FirstMac Mortgage Funding Trust - Series 3-2012 Dealer Agreement dated on or about December 2012 between FirstMac, the Manager, the Arranger and each Joint Lead Manager (“**Dealer Agreement**”);
- FirstMac Mortgage Funding Trust– Series 3-2012 CRD2 Guarantee dated on or about December 2012 between FirstMac and the Security Trustee (“**CRD2 Guarantee**”);

- each FirstSub Charge (insofar as it relates to the Series);
- the FirstSub Guarantee (insofar as it relates to the Series);
- GIC Agreement; and
- Class A-2 Note Fixed Swap.

14 Receivables 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):

- (a) A FirstSub or FirstMac will be the registered first mortgagee of the Mortgages.
- (b) The Housing Loan must be covered by an Insurance Policy on an individual basis (ie Outstanding Amount and any applicable interest is 100% covered by a Mortgage Insurer). In addition, 84.97% of Housing Loans on the Closing Date carry 24 month Timely Payment Cover.
- (c) The Housing Loan is denominated in Australian Dollars.
- (d) The Housing Loan may be made to Australian or non Australian residents. At the Closing Date, the aggregate Outstanding Amount of Housing Loans made to non-Australian residents will not exceed 2% of the aggregate Outstanding Amount of all Receivables of the Series (“**Limit**”).
- (e) The Housing Loan has a maximum term of thirty years and the final maturity date (however defined) of the Housing Loan is at least one year and one day prior to the Final Maturity Date of the Notes.
- (f) Interest will be payable at either a fixed rate, a capped rate or floating rate, provided that the fixed rate period in respect of any Housing Loan must not exceed five years. The Outstanding Amount of Housing Loans with a fixed rate of interest is limited to an amount not exceeding 6% (or such other percentage which the Manager notifies to each Current Rating Agency and which will not, in the Manager’s reasonable opinion, result in an Adverse Rating Effect) of the Outstanding Amount of Housing Loans in respect of the Series. The Outstanding Amount of Housing Loans with a capped rate of interest is limited to an amount not exceeding 3% (or such other percentage which the Manager notifies to each Current Rating Agency and which will not, in the Manager’s reasonable opinion, result in an Adverse Rating Effect) of the Outstanding Amount of Housing Loans in respect of the Series.
- (g) Repayments on the Housing Loan may be either principal and interest or interest only. The maximum interest only term is ten years. Interest only loans at the Closing Date will not exceed 50% of the Limit.
- (h) 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 at the Closing Date will not exceed 25% of the Limit.
- (i) At the Closing Date, the maximum LVR of any Housing Loan will not exceed 95% and the percentage of loans with an LVR greater than 80% will not exceed 25% of the Limit.
- (j) The Housing Loan is not a self-certified loan.
- (k) 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 1% of the Limit at the Closing Date.

- (l) Properties which are not accepted as security include:
 - (i) Properties which are under construction; or
 - (ii) Properties which are the subject of builder sponsored arrangements whereby the builder provides a financial incentive or rebate to a first home buyer.
- (m) 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).
- (n) Full fire and general insurance cover with the interest of the mortgagee or assignee noted is required.
- (o) An Insurance Policy in respect of any Receivables 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 must be maintained. The insurance cover shall be for a minimum amount of A\$1,000,000.
- (p) 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 any contractual prepayment fee if applicable.
- (q) A Valuation, in a form and by a valuer acceptable to the Mortgage Insurer, has been obtained in respect of the Property, and was dated no earlier than six (6) months from the proposed Housing Loan settlement date (unless otherwise agreed in writing by the Servicer, and where applicable, the relevant Mortgage Insurer).
- (r) 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.
- (s) The interest rate on each fixed rate Housing Loan will be set such that a margin with a weighted average of greater than 2.50% per annum exists between the rate of interest charged on the aggregate Outstanding Amount of fixed rate Housing Loans 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.
- (t) The capped interest rate on Housing Loan subject to a capped interest rate has been set such that a margin with a weighted average of greater than 2.00% per annum exists between the rate of interest charged on the aggregate Outstanding Amount of fixed rate Housing Loans at the relevant time.
- (u) The principal amount of any Housing Loan is limited to \$750,000.
- (v) In respect of Properties purchased for investment purposes, the aggregate Outstanding Amount of Housing Loans relating to those Properties will not exceed 50% of the Limit at the Closing Date.
- (w) No Housing Loans with arrears greater than 30 days are permitted.

- (x) Where a Mortgage secures one or more Housing Loans, all Housing Loans secured by such Mortgage will be transferred.
- (y) A Debtor cannot include staff of an Originator.
- (z) There will not be any Housing Loans where the borrower's income has not been verified.

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 11.3(g) (“*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 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 Group means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) and each Associate of Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

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.

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 General Security Agreement 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 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.

Associate has the meaning given to that term in the Corporations Act.

ASX means the Australian Securities Exchange.

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 11.3(b) (“*income tax - Australian 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) 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;
- (c) guarantee investment contract with a party which has a Required Credit Rating at the time FirstMac enters into the contract;

- (d) a chose in action in respect of rights to direct the Reserve Bank of Australia to deliver securities being Authorised Investments (other than under this paragraph (d)) to or to the order of FirstMac;
- (e) Liquid Authorised Investments,
being, in all cases:
 - (i) an investment which will mature prior to the immediately succeeding Payment Date;
 - (ii) an investment denominated in Australian Dollars;
 - (iii) an investment held in the name of FirstMac; and
 - (iv) not be an investment which constitutes a securitisation exposure or a resecuritisation exposure (as defined in Prudential Standard APS 120 issued by the Australian Prudential Regulation Authority including any amendment or replacement of that Prudential Standard).

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 but excluding any break costs or exit fees charged due to the prepayment of a fixed rate Receivable or a capped rate 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 Payment Date following the Determination Date on which the aggregate Outstanding Amount of Receivables of the Series is equal to or less than 10% 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 all Classes of Notes in full on the Call Date.

Carryover Charge-Offs means either a Class A-1 Carryover Charge-Off, Class A-2 Carryover Charge-Off, Class A-2R Carryover Charge-Off, Class AB Carryover Charge-Off, Class B-1 Carryover Charge-Off, Class B-2 Carryover Charge-Off or a FastPay Carryover Charge-Off, as the context requires.

Cash includes Cheques and the electronic transfer of funds.

Cash Collateral means, on any day, the amount of cash collateral (if any) paid to FirstMac by the Interest Rate Swap Provider, Fixed Rate Swap Provider, Class A-2 Note Fixed Swap Provider or a Counterparty that has not been previously applied to satisfy that person's obligations under the relevant Interest Rate Swap, Class A-2 Note Fixed Swap or the Derivative Contract.

Cash Rate means the Cash Rate is set by the Reserve Bank of Australia and reviewed on a monthly basis. Any changes will be initiated by the Reserve Bank of Australia on the first Tuesday of the month.

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

Charge-Off means either a Class A-1 Charge-Off, Class A-2 Charge-Off, Class A-2R Charge-Off, Class AB Charge-Off, Class B-1 Charge-Off, Class B-2 Charge-Off or a FastPay Charge-Off, as the context requires.

Cheque means a cheque, bank cheque or payment order.

Class A Note means each Class A-1 Note, each Class A-2 Note and each Class A-2R Note.

Class A Pro Rata Amount means, on any Payment Date, the greater of zero and:

- (a) the aggregate of
 - (i) the aggregate Invested Amount of the Class A-1 and Class A-2R Notes; and
 - (ii) the GIC Shortfall on the immediately preceding Determination Date,

divided by

- (b) the aggregate of:
- (i) the Invested Amount of the Class A-1 Notes, the Class A-2R Notes, the Class AB Notes, the Class B-1 Notes and the Class B-2 Notes; and
 - (ii) the GIC Shortfall on the immediately preceding Determination Date,
- multiplied by
- the remaining Principal Repayment Fund following distributions under 8.18(a) to 8.18(c) (“*Distribution of Principal Repayment Fund*”) (inclusive).

Class A Subordination Percentage means on any day:

- (a) the aggregate Invested Amount of the Class AB Notes and the Class B Notes on the previous Payment Date (after any payments made on that Payment Date); divided by
- (b) the aggregate of the Invested Amount of all Notes on the previous Payment Date (after any payments made on that Payment Date) less the GIC Balance,

expressed as a percentage.

Class A-1 Carryover Charge-Off has the meaning given to it in section 8.16(d) (“*Carryover Charge-Offs*”).

Class A-1 Charge-Off has the meaning given to it in section 8.15(d) (“*Allocation of Liquidation Losses*”).

Class A1 CRD2 Guarantee Allocation means, on the date that the Security Trustee receives an amount under the CRD2 Guarantee, 5% of the aggregate Invested Amount of the Class A1 Notes on that date.

Class A-1 Margin means the rate percentage per annum determined on the Pricing Date and notified to Holders of the Class A-1 Notes on the Pricing Date and inscribed in the Register as the margin applicable to those Class A-1 Notes. If the Class A-1 Notes are not redeemed on the first Call Date, then with effect from that Call Date, the Class A-1 Margin will increase by 0.25% per annum.

Class A-1 Note means a Note issued pursuant to clause 4.1(a) (“*Class A-1 Notes, Class A-2 Notes, Class AB Notes, Class B-1 Notes, Class B-2 Notes and FastPay Notes*”) of the Supplementary Terms Notice.

Class A-1 Stated Amount means, in relation to a Class A-1 Note on any date, an amount equal to the Invested Amount of that Class A-1 Note on that date less any Class A-1 Carryover Charge-Offs as at the immediately preceding Payment Date made in respect of that Class A-1 Note which have not been reimbursed at that date.

Class A-2 Carryover Charge-Off has the meaning given to it in section 8.16(d) (“*Carryover Charge-Offs*”).

Class A-2 Charge-Off has the meaning given to it in section 8.15(d) (“*Allocation of Liquidation Losses*”).

Class A-2 CRD2 Guarantee Allocation means, on the date that the Security Trustee receives an amount under the CRD2 Guarantee, 5% of the aggregate Invested Amount of the Class A-2 Notes on that date.

Class A-2 Note means a Note issued pursuant to clause 4.1(b) (“*Class A-1 Notes, Class A-2 Notes, Class AB Notes, Class B-1 Notes, Class B-2 Notes and FastPay Notes*”) of the Supplementary Terms Notice.

Class A-2 Note Fixed Swap means the ISDA Master Agreement, the schedule to it, each confirmation issued under it and any credit support annex entered into in connection with it between the Class A-2 Note Fixed Swap Provider, FirstMac and the Manager, with respect to hedging fixed rate exposure in respect of the Class A-2 Notes.

Class A-2 Note Fixed Swap Provider means Westpac Banking Corporation or such replacement fixed rate swap provider from time to time that meets the required ratings as specified under the Class A-2 Note Fixed Swap.

Class A-2 Refinancing Date means the Payment Date in December 2017.

Class A-2 Stated Amount means, in relation to a Class A-2 Note on any date, an amount equal to the Invested Amount of that Class A-2 Note on that date less any Class A-2 Carryover Charge-Offs as at the immediately preceding Payment Date made in respect of that Class A-2 Note which have not been reimbursed at that date.

Class A-2 Swap Margin means the margin determined by the Manager and notified as such in writing by the Manager to FirstMac prior to the Closing Date.

Class A-2R Carryover Charge-Off has the meaning given to it in clause

Class A-2R Charge-Off has the meaning given to it in clause 8.15(d) (“*Allocation of Liquidation Losses*”).

Class A-2R CRD2 Guarantee Allocation means, on the date that the Security Trustee receives an amount under the CRD2 Guarantee, 5% of the aggregate Invested Amount of the Class A-2R Notes on that date.

Class A-2R Margin in relation to a Class A-2R Note means:

- (a) if FirstMac is able to issue Class A-2R Notes in accordance with clause 4.16(b) (“*Class A-2R Notes*”) of the Supplementary Terms Notice, the margin on those Notes as determined under clause 4.16 (“*Class A-2R Notes*”) of the Supplementary Terms Notice; and
- (b) if FirstMac is unable to issue Class A-2R Notes in accordance with clause 4.16 (“*Class A-2R Notes*”) of the Supplementary Terms Notice, the Class A-2R Stepped Up Margin.

Class A-2R Note means a Note issued pursuant to clause 4.2 (“*Issue of Class A-2R Notes*”) of the Supplementary Terms Notice.

Class A-2R Stated Amount means, in relation to a Class A-2R Note on any date, an amount equal to the Invested Amount of that Class A-2R Note on that date less any Class A-2R Carryover Charge-Offs as at the immediately preceding Payment Date made in respect of that Class A-2R Note which have not been reimbursed at that date.

Class A-2R Stepped Up Margin in relation to a Class A-2R Note, the Class A-2 Swap Margin plus a rate determined on the Pricing Date.

Class AB Carryover Charge-Off has the meaning given to it in section 8.16(c) (“*Carryover Charge-Offs*”).

Class AB Charge-Off has the meaning given to it in section 8.15(c) (“*Allocation of Liquidation Losses*”).

Class AB CRD2 Guarantee Allocation means, on the date that the Security Trustee receives an amount under the CRD2 Guarantee, 5% of the aggregate Invested Amount of the Class AB Notes on that date.

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. If the Class AB Notes are not redeemed on the first Call Date, then with effect from that Call Date, the Class AB Margin will increase by 0.25% per annum.

Class AB Note means a Note issued pursuant to clause 4.1(c) (“*Class A-1 Notes, Class A-2 Notes, Class AB Notes, Class B-1 Notes, Class B-2 Notes and FastPay Notes*”) of the Supplementary Terms Notice.

Class AB Pro Rata Amount means, on any Payment Date:

- (a)
 - (i) the aggregate Invested Amount of the Class AB Notes; divided by
 - (ii) the aggregate of:
 - (A) the aggregate Invested Amount of the Class A-1 Notes, Class A-2R Notes, the Class AB Notes, the Class B-1 Notes and the Class B-2 Notes; and
 - (B) the GIC Shortfall on the immediately preceding Determination Date,multiplied by
- (b) the remaining Principal Repayment Fund following distributions in accordance with section 8.18 (“*Distribution of Principal Repayment Fund*”) (a) to (c) (inclusive).

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 as at the immediately preceding Payment Date made in respect of that Class AB Note which have not been reimbursed at that date.

Class AB Subordination Percentage means on any day:

- (a) the aggregate Invested Amount of the Class B Notes on the previous Payment Date (after any payments made on that Payment Date); divided by
- (b) the aggregate of the Invested Amount of all Notes on the previous Payment Date (after any payments made on that Payment Date) less the GIC Balance,

expressed as a percentage.

Class B Note means each Class B-1 Note and each Class B-2 Note.

Class B Pro Rata Amount means, on any Payment Date:

- (a)
 - (i) the aggregate Invested Amount of the Class B-1 Notes and the aggregate Invested Amount of the Class B-2 Notes; divided by
 - (ii) the aggregate of:
 - (A) the aggregate Invested Amount of the Class A-1 Notes, the Class A-2R Notes, the Class AB Notes, the Class B-1 Notes and the Class B-2 Notes;
 - (B) the GIC Shortfall on the immediately preceding Determination Date,multiplied by
- (b) the remaining Principal Repayment Fund following distributions in accordance with section 8.18(a) to 8.18(c) (“*Distribution of Principal Repayment Fund*”) (inclusive).

Class B Step-down Margin Date means the Payment Date after the first Determination Date which the Invested Amount of the all Notes is equal to or less than 20% of the aggregate Invested Amount of the all Notes issued on the initial Issue Date for the Series (for avoidance of doubt, not including amounts to be distributed on that Payment Date).

Class B-1 Carryover Charge-Off has the meaning given to it in section 8.16(b) (“*Carryover Charge-Offs*”).

Class B-1 Charge-Off has the meaning given to it in section 8.15(b) (“*Allocation of Liquidation Losses*”).

Class B1 CRD2 Guarantee Allocation means, on the date that the Security Trustee receives an amount under the CRD2 Guarantee, 5% of the aggregate Invested Amount of the Class B1 Notes on that date.

Class B-1 Margin means:

- (a) the rate percentage per annum determined on the Pricing Date and notified to Holders of the relevant Class B-1 Notes on the Pricing Date and inscribed in the Register as the margin applicable to those Class B-1 Notes; and
- (b) on each Payment Date on and after the Class B Step-down Margin Date (but for avoidance of doubt not including the Class B Step-down Margin Date), the Class B-1 Margin will decrease by the Class B-1 Residual Margin.

Class B-1 Note means a Note issued pursuant to clause 4.1(d) (“*Class A-1 Notes, Class A-2 Notes, Class AB Notes, Class B-1 Notes, Class B-2 Notes and FastPay Notes*”) of the Supplementary Terms Notice.

Class B-1 Residual Margin means:

- (a) prior to the Class B Step-down Margin Date, 0%; and

- (b) on each day from (and including) the Class B Step-down Margin Date in respect of Class B-1 Notes outstanding on that day, 2.25%.

Class B-1 Stated Amount means, in relation to a Class B-1 Note on any date, an amount equal to the Invested Amount of that Class B-1 Note on that date less any Class B-1 Carryover Charge-Offs as at the immediately preceding Payment Date made in respect of that Class B-1 Note which have not been reimbursed at that date.

Class B-2 Carryover Charge-Off has the meaning given to it in section 8.16(a) (“*Carryover Charge-Offs*”).

Class B-2 Charge-Off has the meaning given to it in section 8.15(a) (“*Allocation of Liquidation Losses*”).

Class B2 CRD2 Guarantee Allocation means, on the date that the Security Trustee receives an amount under the CRD2 Guarantee, 5% of the aggregate Invested Amount of the Class B2 Notes on that date.

Class B-2 Margin means:

- (a) the rate agreed between the Manager and the Class B-2 Note Holder on the Pricing Date and set out in the FirstMac Mortgage Funding Trust Series 3-2012 Class B-2 Pricing letter dated on or around the Pricing Date between the Manager and the Class B-2 Note Holder, provided that the Manager is satisfied in its reasonable opinion that such rate will not result in an Adverse Rating Effect; and
- (b) on each Payment Date on or after the Class B Step-down Margin Date (but for avoidance of doubt not including the Class B Step-down Margin Date), the Class B-2 Margin will decrease by the Class B-2 Residual Margin.

Class B-2 Note means a Note issued pursuant to clause 4.1(e) (“*Class A-1 Notes, Class A-2 Notes, Class AB Notes, Class B-1 Notes, Class B-2 Notes and FastPay Notes*”) of the Supplementary Terms Notice.

Class B-2 Residual Margin means:

- (a) prior to the Class B Step-down Margin Date, 0%; and
- (b) on each day from (and including) the Class B Step-down Margin Date in respect of Class B- Notes outstanding on that day, 3%.

Class B-2 Stated Amount means, in relation to a Class B-2 Note on any date, an amount equal to the Invested Amount of that Class B-2 Note on that date less any Class B-2 Carryover Charge-Offs made in respect of that Class B-2 Note which have not been reimbursed at that date.

Class of Notes means each of the Class A-1 Notes, Class A-2 Notes, Class A-2R Notes, Class AB Notes, Class B-1 Notes, Class B-2 Notes and FastPay Notes (or more than one of them) as the context requires.

Closing Date means the date specified in 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 National Credit Code set out in Schedule 1 of the National Consumer Credit Protection Act 2009, 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.

Collateral means all present and future Assets of the Series held by FirstMac on the terms of the Trust and the Series in accordance with the Master Trust Deed and the Supplementary Terms Notice.

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 accordance with the Supplementary Terms Notice.

Collection Period means:

- (a) with respect to the first period, the period commencing on (but excluding) the Cut-Off Date and ending on (but including) the last day of the next calendar month;
- (b) with respect to the last period, the period commencing on (but excluding) the last day of the previous Collection Period to (and including) the Final Maturity Date; and
- (c) with respect to every other period, each calendar month.

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

Constant Prepayment Rate means, in respect of all Housing Loans, a rate determined by the Manager to be the assumed constant per annum rate of prepayment each month relative to the then outstanding principal balance of all Housing Loans (adjusted for Redraws). For the avoidance of doubt, the same Constant Prepayment Rate applies irrespective of whether the Housing Loans are variable rate, fixed rate or interest only or a combination thereof.

CRD2 Guarantee Payment Date has the meaning given to the term “Guarantee Payment Date” in the CRD Guarantee.

CRD Guarantee means the deed entitled “FirstMac Mortgage Funding Trust Series 3-2012 CRD2 Guarantee” dated on or about the date of this deed between FirstMac Limited and the Security Trustee.

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 Deed, the date specified in the Supplementary Terms Notice 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 Agreement means the agreement entitled “FirstMac Mortgage Funding Trust 3-2012 Dealer Agreement” dated December 2012 between FirstMac, the Manager, the Arranger and each Joint Lead Manager.

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, another 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 FirstMac 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 (vii) 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 any of the events referred to above happens under the law of any applicable jurisdiction.

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 Servicer; or
- (c) in respect of which a Debtor Insolvency Event has occurred in respect of the applicable Debtor.

Delegation Deed means the deed entitled “Delegation and Calculation Agency Deed (FirstMac Mortgage Funding Trust)” dated 24 April 2009 between FirstMac, the Manager and Perpetual Nominees 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 Trust, 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 2 Business Days prior to a Payment Date. The first Determination Date will be 17 January 2013.

Eligible Bank means a Bank with a credit rating equal to, or greater than, the Required Credit Rating.

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

Encumbrance means any Security Interest, notice under section 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 Trust.

Event of Default means the occurrence of an event specified in section 9.8 (“*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 excluding any amounts owing to any Secured Creditors.

Extraordinary Expenses means, in relation to a Collection Period, any out of pocket expenses properly and reasonably incurred by FirstMac in relation to the Trust in respect of the Series in respect of that Collection Period which are:

- (a) not contemplated by the Transaction Documents; and
- (b) not incurred in the ordinary course of business of the Trust in respect of the Series.

Extraordinary Expense Reserve has the meaning given to it in section 6.11 (“*Extraordinary Expense Reserve*”).

Extraordinary Expense Reserve Draw has the meaning given to it in section 8.8 (“*Extraordinary Expense Reserve Draw*”).

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 8.16(d) (“*Carryover Charge-Offs*”).

FastPay Charge-Off has the meaning given to it in section 8.15(d) (“*Allocation of Liquidation Losses*”).

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

FastPay Margin means the rate percentage per annum determined by the Manager and notified to subscribers of the FastPay Notes no later than 2 Business Days prior to the issue of the FastPay Notes.

FastPay Note means a Note issued pursuant to clause 4.1(e) (“*Class A-1 Notes, Class A-2 Notes, Class AB Notes, Class B-1 Notes, Class B-2 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.

Final Maturity Date means the Payment Date on December 2043, or, if such date is not a Business Day, then the Final Maturity Date will be the immediately following Business Day.

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 but including any Holding Period Interest received in respect of Assets disposed of,

transferred or redesignated by FirstMac during such Collection Period) 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.

FirstMac Originator means each of FirstMac Limited (ABN 59 094 145 963) and First Mortgage Company Pty Limited (ABN 37 099 125 318).

First Payment Date has the meaning given to it in section 3.4 (“*Principal Characteristics of the Notes*”).

FirstSub means FirstMac Assets Pty Limited, its subsidiaries and each entity appointed a ‘FirstSub’ pursuant to the Transaction Documents.

Fitch Ratings means Fitch Australia Pty Limited (ABN 93 081 339 184).

Fixed Interest Payment Date means each Payment Date which occurs in March, June, September and December of each year.

Fixed Rate Note means each Class A-2 Note.

Fixed Rate Swap means the ISDA Master Agreement, the schedule to it, each confirmation issued under it and any credit support annex entered into in connection with it between the Fixed Rate Swap Provider, FirstMac and the Manager, with respect to hedging the exposure to any fixed rate loans or capped rate loans which are assets of the Series.

Fixed Rate Swap Provider means Australia and New Zealand Banking Group Limited or such replacement fixed rate swap provider from time to time that meets the required ratings as specified under the Fixed Rate Swap.

Floating Rate Note means depending on the context, a Fastpay Note, a Class A-1 Note, a Class A-2R Note, a Class AB Note, a Class B-1 Note or a Class B-2 Note.

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

General Security Agreement means the agreement entitled “FirstMac Mortgage Funding Trust Series 3-2012 General Security Agreement” dated December 2012 between FirstMac and the Security Trustee.

GIC Account means the account established in the name of FirstMac with the GIC Provider maintained in accordance with the GIC Agreement and any replacement account established in accordance with the GIC Agreement.

GIC Agreement means the agreement entitled “FirstMac Mortgage Funding Trust Series 3-2012 GIC Account Agreement” dated on or about the date of this deed between FirstMac, the Manager and the GIC Provider.

GIC Authorised Investments has the meaning given to it in the GIC Agreement.

GIC Balance has the meaning given to it in the GIC Agreement.

GIC Provider means Westpac Banking Corporation.

GIC Shortfall means, at any time, the difference between the aggregate Invested Amount of the Class A-2 Notes and the balance of the GIC Account at that time.

GIC Surplus means the amount (if any) by which the aggregate of the proceeds from the balance of the GIC Account (including any GIC Authorised Investments realised on or before the Class A-2 Refinancing Date) on the Class A-2 Refinancing Date and the issuance proceeds of Class A-2R Notes available to be applied in redemption of Class A-2 Notes on the Class A-2 Refinancing Date in accordance with clause 5.14(c) ("*Class A-2R Notes*") of the Supplementary Terms Notice exceeds the aggregate Invested Amount of the Class A-2 Notes as at the Class A-2 Refinancing Date.

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 of 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 Seller means HSBC Bank Australia Limited (ABN 48 006 434 162).

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:

- (a) for a Class A-2R Note the amount as set out on the face of that Class A-2R Note and will be issued at par value; and
- (b) for each other Note, the amount of A\$10,000 and will be issued at par value.

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 (including, for FirstMac, in respect of a Series) 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 3.10 (“*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 or capital payments (as applicable) made on or before that date in relation to that Note.

Issue Date means:

- (a) in relation to a Class of Notes other than the FastPay Notes and Class A-2R Notes, 18 December 2012;
- (b) in relation to the Class A-2R Notes (if any), the Class A-2 Refinancing Date;
- (c) in relation to the FastPay Notes, such other date as may be determined by the Manager.

IWT has the meaning given to that term in section 11.1 (“*Interest Withholding Tax (“IWT”)*”).

Joint Lead Manager has the meaning given to that term on page 2 of this Information Memorandum.

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 held at an Eligible Bank;
- (b) any:
 - (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) 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 AAA by Standard & Poor’s and AAA by Fitch Ratings for maturities exceeding 365 days, or A-1+ by Standard & Poor’s or F1+ by Fitch Ratings for maturities less than 365 days (or both the long term and short term ratings if the liquid authorised investment holds both short term and long term ratings);
- (d) 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 AAA by Standard & Poor’s and AAA by Fitch Ratings for maturities exceeding 365 days, or A-1+ by Standard & Poor’s and F1+ by Fitch Ratings for maturities less than 365 days (or both the long term and short term ratings if the liquid authorised investment holds both short term and long term ratings); and
- (e) investments in certain short-term debt of issuers rated A-1 by Standard & Poor’s and F1 by Fitch Ratings, with certain restrictions. Each investment should not mature beyond 30 days.

Such investments must:

- (a) be held in the name of FirstMac;
- (b) mature prior to the immediately succeeding Payment Date;
- (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 or Fitch Ratings before their inclusion;
- (d) have a predetermined fixed-dollar amount of principal due at maturity that cannot vary or change;

- (e) have interest tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with that index; and
- (f) not be an investment which constitutes a securitisation exposure or a resecuritisation exposure (as defined in Prudential Standard APS 120 issued by the Australian Prudential Regulation Authority including any amendment or replacement of that Prudential Standard).

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, the relevant FirstSub or Servicer in respect of a breach of a representation, warranty or covenant in respect of that Housing Loan or under an indemnity.

Liquidation Loss Shortfall has the meaning given in section 8.7(a)(ii) (“*Spread Reserve Draw*”).

Liquidity Shortfall has the meaning given in section 8.9 (“*Liquidity Shortfall*”).

Liquidity Shortfall Deficit has the meaning given to it in section 8.11 (“*Liquid Authorised Investments*”).

LMI has the meaning given to that term in section 7.6 (“*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*”).

Manager has the meaning given to that term on page 2 of this Information Memorandum.

Manager Termination Event has the meaning given to that term in section 9.6 (“*The Manager*”).

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 Trust Deed has the meaning given to that term in section 13.1 (“*Master Trust Documents*”).

Material Adverse Effect means an event which will materially and adversely affect the amount of any payment to a Secured Creditor or the timing of such payments.

Monthly Expenses means in respect of a Payment Period the aggregate of the Required Payments in respect of that Payment Date, the Residual Class B-1 Interest payable on that Payment Period and any Unpaid Residual Class B-1 Interest, the Residual Class B-2 Return payable on that Payment Period and any Unpaid Residual Class B-2 Return.

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 each of Genworth Financial Mortgage Insurance Pty Ltd (ABN 60 106 974 305), and QBE Lenders’ Mortgage Insurance Limited (ABN 70 000 511 071).

Note means a Class A-1 Note, Class A-2 Note, Class A-2R Note, Class AB Note, Class B-1 Note, Class B-2 Note and FastPay Note (or more than one of them) as the context requires.

Notice of Creation of Security Trust has the meaning given to that term in section 13.2 (“*FirstMac Mortgage Funding Trust 3-2012 Documents*”).

Notice of Creation of Trust means the notice issued by FirstMac pursuant to clause 2.1 (“*Establishment of a Trust*”) of the Master Trust Deed dated 13 December 2006.

Originator means each of the HSBC Seller and each FirstMac Originator.

Other Income means, on a Determination Date:

- (a) any interest received on Authorised Investments and GIC Authorised Investments during the immediately preceding Collection Period;
- (b) any income earned and received on moneys standing to the credit of the Collection Account, the Spread Reserve, the Extraordinary Expense Reserve and the GIC Account during the immediately preceding Collection Period; and
- (c) any other miscellaneous income received or expected to be received by FirstMac on or before the immediately following Payment Date.

Other Series means each other part of the assets of the Trust other than the Series 3-2012 which are secured under a separate General Security Agreement and the transaction documents relating to those assets and liabilities which is constituted by the execution of the relevant Notice of Creation of Security Trust for that Other Series.

Outstanding Amount means, in relation to a Receivable, the principal outstanding (for the avoidance of doubt, including any interest that has been Posted but remains unpaid) 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 (unless that day falls in the next calendar month, in which case the preceding Business Day); and

(b) the Final Maturity Date.

The first Payment Date will be 21 January 2013.

Payment Period means:

- (a) in respect of a Floating Rate Note, 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 Floating Rate 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 Floating Rate Note will be the period commencing on (and including) the Payment Date immediately preceding the Maturity Date and ending on (but excluding) the date on which all Secured Money is repaid by FirstMac;
- (b) in respect of a Fixed Rate Note, the period commencing on (and including) a Fixed Interest Payment Date and ending on (but excluding) the next Fixed Interest Payment Date. The first Payment Period in respect of a Fixed Rate Note will be the period commencing on (and including) the Issue Date of that Note and ending on (but excluding) the first Fixed Interest Payment Date. The last Payment Period in respect of a Fixed Note will be the period commencing on (and including) the Fixed Interest Payment Date immediately preceding the Class A-2 Refinancing Date and ending on (but excluding) the date on which all Secured Money is repaid by FirstMac.

Permitted Encumbrance means any Encumbrance over any Receivable or Related Security, which will be released on the relevant Closing Date.

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.

PPSA has the meaning given to that term in section 3.11 (“*Security*”)

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 Collections means an amount determined in accordance with section 8.6 (“*Calculation of Principal Collections*”).

Principal Draw has meaning given in section 6.10 (“*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 FastPay Charge-Offs, Class A-1 Charge-Offs, Class A-2 Charge-Offs, Class A-2R Charge-Offs, Class AB Charge-Offs, Class B-1 Charge-Offs or Class B-2 Charge-Offs (as the case may be) pursuant to section 8.13 (“*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 FastPay Carryover Charge-Offs, Carryover Class A-1 Charge-Offs, Carryover Class A-2 Charge-Offs, Carryover Class A-2R Charge-Offs, Carryover Class AB Charge-Offs, Carryover Class B-1 Charge-Offs or Carryover Class B-2 Charge-Offs (as the case may be) pursuant to section 8.13 (“*Distribution of Total Interest Collections*”) on the Payment Date immediately following the end of that Collection Period;
- (d) the amount (if any) allocated to Principal Collections in reimbursement of any outstanding Principal Draw in accordance with section 8.13(r) (“*Distribution of Total Interest Collections*”);
- (e) 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; and
- (f) the amount (if any) paid to the Principal Repayment Fund from the Extraordinary Expense Reserve on the Final Maturity Date in accordance with section 6.11(b) (“*Extraordinary Expense Reserve*”); and
- (g) in the case of the Determination Date immediately before the Class A-2 Refinancing Date, the amount of the GIC Surplus (if any).

Pro Rata Test will be satisfied on any Payment Date after the second anniversary of the Issue Date if, as at the immediately preceding Determination Date:

- (a) no more than 2% (calculated by reference to the Outstanding Amounts of the relevant Receivables) of the Receivables is 90 days or more in arrears;
- (b) there are no Carryover Charge-offs in respect of any Notes which remain unreimbursed as at that Determination Date;
- (c) the aggregate Invested Amount of all Notes is greater than 10% of the aggregate Invested Amount of the Notes on the initial Issue Date;
- (d) the Class A Subordination Percentage is at least 14.2%;
- (e) the Class AB Subordination Percentage is at least 3.6%.

Purchase Price has, in respect of Receivables proposed to be disposed or acquired by FirstMac, the meaning given to such in the Redesignation notice or any other agreement evidencing the offer for sale of Receivables.

QBE has the meaning given to that term in section 7.6 (“*Insurance Policies and Mortgage Insurers*”).

Rate of Interest means in respect of a Payment Period for:

- (a) Class A-2 Notes, the rate percentage per annum determined on the Pricing Date and notified to Holders of the Class A-2 Notes on the Pricing Date and inscribed in the Register as the Rate of Interest applicable to those Class A-2 Notes;
- (b) all other Notes (other than Class B-2 Notes) a rate equal to the aggregate of the Bank Bill Rate for that Payment Period plus the Relevant Margin.

Rate of Return means, in respect of a Payment Period for Class B-2 Notes, the rate determined on the Pricing Date and notified to Holders of the Class B-2 Notes on the Pricing Date.

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 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 (or both) pursuant to the Master Trust Deed.

RBA Bond Basis means, in respect of the Class A-2 Notes:

- (a) subject to paragraphs (b) and (c) of this definition, for each Payment Period for the Class A-2 Notes, one divided by the number of Fixed Interest Payment Dates in a year;
- (b) for the first Payment Period for the Class A-2 Notes only, the number of days in the first Payment Period for the Class A-2 Notes divided by 365; and
- (c) for the last Payment Period for the Class A-2 Notes only, the number of days in the last Payment Period for the Class A-2 Notes divided by 365.

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 Deed and the Supplementary Terms Notice.

Registrar has the meaning given to that term on page 3 of this Information Memorandum.

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 (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-1 Notes, the Class A-1 Margin;
- (b) in the case of Class A-2R Notes, the Class A-2R Margin;
- (c) in the case of Class AB Notes, the Class AB Margin;
- (d) in the case of Class B-1 Notes, the Class B-1 Margin; or
- (e) in the case of FastPay Notes, the FastPay 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, the Arranger, each Joint Book-Runner and each Joint Lead Manager 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.

Required Authorised Investment Liquidity Amount means, at any time, an amount of Liquid Authorised Investments equal to:

- (a) the greater of:
 - (i) 0.8 % of the aggregate Invested Amount of all Notes at the relevant time; and
 - (ii) \$240,000; or
- (b) such lesser amount the Manager has notified to the Current Rating Agency and the Manager is satisfied in its reasonable opinion that such amount will not result in an Adverse Rating Effect.

Required Credit Rating means:

- (a) for Liquid Authorised Investments:

- (i) the following ratings by Fitch:
 - i. in respect of Liquid Authorised Investments which have a term to maturity of less than or equal to 30 days, a long term credit rating of at least "A" by Fitch or a short term credit rating of at least "F1" by Fitch; and
 - ii. in respect of Liquid Authorised Investments which have a term to maturity of greater than 30 days and less than 365 days, a long term credit rating of at least "AA-" by Fitch or a short term credit rating of "F1+" by Fitch;together with
 - (ii) a short term credit rating of A-1+ or a long term credit rating of AAA from Standard and Poor's (as the case may be);
- (b) for an Eligible Bank:
- (i) a short term credit rating of 'F1' and a long term credit rating of 'A' from Fitch Ratings; together with
 - (ii) either a:
 - (A) long term credit rating of at least A from Standard & Poor's, provided the Bank also has short term credit rating of not less than A-1 from Standard & Poor's; or
 - (B) long term rating is at least A+ from Standard & Poor's.
- (c) for the Fixed Rate Swap Provider and the Class A-2 Note Fixed Swap Provider in relation to Fitch Ratings, means a long term credit rating of at least A and a short term credit rating of at least F1 by Fitch Ratings.

Required Extraordinary Expense Reserve Amount means \$150,000.

Required Payments means:

- (a) for the purposes of the definition of Liquidity Shortfall only on any Determination Date where the Stated Amount of the Class B-2 Notes is equal to or less than 95% of their Invested Amount, the aggregate of priority payments in paragraphs (a) to (n) (inclusive) only of section 8.13 ("*Distribution of Total Interest Collections*");
- (b) for the purposes of the definition of Liquidity Shortfall only on any Determination Date where the Stated Amount of the Class B-1 Notes is equal to or less than 95% of their Invested Amount, the aggregate of priority payments in paragraphs (a) to (l) (inclusive) only of section 8.13 ("*Distribution of Total Interest Collections*");
- (c) in all other cases, the aggregate of priority payments in paragraphs (a) to (p) (inclusive) of section 8.13 ("*Distribution of Total Interest Collections*").

Required Payments Deficit has the meaning given in section 8.7(a)(i) ("*Spread Reserve Draw*").

Residual Class B-1 Interest means for a Payment Period the amounts described in paragraphs (a) of the sections entitled “Additional Top-up Interest” and “Residual Margin” in section 5.4 (“*Calculating interest*”) in respect of the Class B-1 Notes in respect of that Payment Period.

Residual Class B-2 Return means for a Payment Period the amounts described in paragraphs (a) of the sections entitled “Additional Top-up Interest” and “Residual Margin” in section 5.4 (“*Calculating interest*”) in respect of the Class B-2 Notes in respect of that Payment Period.

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 has the meaning given to that term in section 3.3 (“*General Information*”).

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 has the meaning given to that term in section 3.3 (“*General Information*”).

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 15 December 2006 between HSBC Seller, FirstMac and the Manager.

Secured Creditor has the meaning given to that term in section 3.11 (“*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 General Security Agreement 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 Collateral or the security interest created by the General Security Agreement 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
 - (D) 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.

Securities Act means the U.S. Securities Act of 1933, as amended.

Security has the meaning given to it in the General Security Agreement.

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 3-2012 Security Trust" constituted under the Master Trust Deed and the Notice of Creation of Security Trust.

Security Trustee has the meaning given to that term on page 3 of this Information Memorandum.

Seller means FirstMac Fiduciary Services Pty Limited in its capacity as trustee of each Relevant Trust and in respect of each Relevant Series.

Senior Obligations means, the obligations of FirstMac:

- (a) in respect of the FastPay Notes and Class A Notes and any obligations ranking equally or senior to the FastPay Notes and Class A Notes (as determined in accordance with the order of priority set out in section 8.21 (“*Application of proceeds following an Event of Default*”)), at any time while the FastPay Notes or Class A Notes are outstanding;
- (b) in respect of the Class AB Notes and any obligations ranking equally or senior to the Class AB Notes (as determined in accordance with the order of priority set out in section 8.21 (“*Application of proceeds following an Event of Default*”)), at any time while the Class AB Notes are outstanding but no FastPay Notes or Class A Notes are outstanding;
- (c) in respect of the Class B-1 Notes and any obligations ranking equally or senior to the Class B-1 Notes (as determined in accordance with the order of priority set out in section 8.21 (“*Application of proceeds following an Event of Default*”)), other than Residual Class B-1 Interest, at any time while the Class B-1 Notes are outstanding but no FastPay Notes, Class A Notes or Class AB Notes are outstanding; and
- (d) in respect of the Class B-2 Notes and any obligations ranking equally or senior to the Class B-2 Notes (as determined in accordance with the order of priority set out in clause 8.21 (“*Application of proceeds following an Event of Default*”)), other than Residual Class B-1 Interest and Residual Class B-2 Interest, at any time while the Class B-2 Notes are outstanding but no FastPay Notes, Class A Notes, Class AB Notes or Class B-1 Notes are outstanding;
- (e) under the Transaction Documents generally, at any time while no Notes are outstanding.

Servicer has the meaning given to that term on page 2 of this Information Memorandum.

Servicer Termination Event has the meaning given to that term in section 9.7 (“*The Servicer*”).

Series means the Series 3-2012.

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.

Spread Reserve has the meaning given to that term in section 6.9 (“*Spread Reserve*”).

Spread Reserve Draw has the meaning given to that term in section 8.7 (“*Spread Reserve Draw*”) of this Information Memorandum.

Standard & Poor's means Standard & Poor's (Australia) Pty Limited (ABN 62 007 324 852).

Standby Trustee has the meaning given to that term on page 2 of this Information Memorandum.

Stated Amount means the Class A-1 Stated Amount, the Class A-2 Stated Amount, the Class A-2R Stated Amount, the Class AB Stated Amount, the Class B-1 Stated Amount, the Class B-2 Stated Amount or the FastPay Stated Amount, as the context requires.

Statutory Authority has the meaning given to that term in section 7.6 ("*Insurance Policies and Mortgage Insurers*").

Supplementary Terms Notice has the meaning given to that term in section 13.2 ("*FirstMac Mortgage Funding Trust Series 3-2012 Documents*").

Support Facilities means the agreements or arrangements (the terms of any such agreements or arrangements must be notified by the Manager and notified to the Current Rating Agencies) entered into by FirstMac with the Support Facility Provider to fund 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, a proportion determined by the Manager to be the Series share in respect of a Payment Period, of the amount (if any) of Tax that the Manager reasonably determines will be payable in the future by FirstMac in respect of the Trust and which accrued during that Payment Period.

Tax Shortfall means, a proportion determined by the Manager to be the Series share in respect of a Payment Period, of the amount (if any) determined by the Manager to be the shortfall between the aggregate Tax Amounts determined by the Manager in respect of previous Payment Dates and the amounts set aside in accordance with sections 8.13(hh) and (ii) ("*Distribution of Total Interest Collections*") on previous Payment Dates.

TFN has the meaning given to that term in section 11.3(g) ("*Other tax matters*").

Threshold Amount means the total amount required to pay all Monthly Expenses (taking into account the commercial rates that would apply if the Manager, the Servicer or FirstMac, as the case may be, were replaced by unrelated third parties) on each Payment Date as calculated by the Manager.

Threshold Margin means 0.25%.

Threshold Rate has the meaning given to that term in section 6.12 ("*Threshold Rate*").

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 or a FirstSub; or
- (b) a Seller or Servicer of that Series fails to pay Collections in accordance with the Master Trust Deed within three Business Days of the due date for payment (except where the Security Trustee determines that the event is not a "Title Perfection Event" and notifies each Current Rating Agency).

Total Interest Collections means, on a Determination Date, the amount calculated in accordance with section 8.12 ("*Calculation and application of Total Interest Collections*") on that Determination Date.

Transaction Document means:

- (a) the Master 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 Dealer Agreement;
- (e) the CRD2 Guarantee;
- (f) the GIC Agreement;
- (g) the Supplementary Terms Notice;
- (h) the Master Servicer Deed (insofar as it relates to the Series);
- (i) the Master Management Deed (insofar as it relates to the Series);
- (j) the Notice of Creation of Security Trust in respect of the Series;
- (k) the Sale Deed;
- (l) the General Security Agreement;

- (m) any Derivative Contract;
- (n) any Support Facilities;
- (o) any Security Interest or guarantee to be given by the relevant FirstSub in favour of the Security Trustee.

Trust means the FirstMac Mortgage Funding Trust.

Trustee Termination Event has the meaning given to that term in section 9.4 (“*FirstMac as trustee*”).

Unpaid Interest means, on any day, any amount of interest (other than Residual Class B-1 Interest) due to the Holder of a Note (other than a Class B-2 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:

- (a) the Rate of Interest in respect of that Note; and
- (b) in respect of the Class B-1 Notes only, Class B-1 Residual Margin,

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.

Unpaid Residual Class B-1 Interest means, on any day, any amount of Residual Class B-1 Interest due to the Holder of a Class B-1 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:

- (a) the Bank Bill Rate; and
- (b) the Relevant Margin in respect of that Class B-1 Note; and
- (c) the Class B-1 Residual Margin,

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 Supplemental Terms Notice.

Unpaid Residual Class B-2 Return means, on any day, any amount of Residual Class B-2 Return due to the Holder of a Class B-2 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:

- (a) the Bank Bill Rate; and
- (b) the Relevant Margin in respect of that Class B-2 Note; and
- (c) the Class B-2 Residual Margin,
- (d) from the date on which the amount of the return fell due for payment until the day on which it is actually paid in full in accordance with this deed.

Unpaid Return means, on any day, any amount of returns (other than Residual Class B-2 Returns) due to the Holder of a Class B-2 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 Rate of Return in respect of that Note and Class B-2 Residual Margin from the date on which the

amount of return fell due for payment until the day on which it is actually paid in full in accordance with the Supplementary Terms Notice.

Vacant Land means Land which does not have a residential dwelling on it.

Westpac Group means Westpac Banking Corporation (ABN 33 007 457 141) and each Associate of Westpac Banking Corporation (ABN 33 007 457 141).

DIRECTORY

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P.T. Limited

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Manager, Servicer and Originator

FirstMac Limited

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Brisbane QLD 4000
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Fax: (07) 3002 8440

Originator

First Mortgage Company Pty Limited

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Brisbane QLD 4000
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Arranger, Joint Lead Manager and Joint Book-Runner

Australia and New Zealand Banking Group Limited

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Fax: (02) 9227 1661

Joint Lead Manager and Joint Book-Runner

Westpac Banking Corporation

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Ph: (02) 8254 9261
Fax: (02) 8254 6941

Standby Servicer and Custodian

Perpetual Trustee Company Limited

Level 12
123 Pitt Street
Sydney NSW 2000
Ph: (02) 9229 9000
Fax: (02) 8256 1424

Standby Trustee

Perpetual Corporate Trust Limited

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Custodian

Permanent Custodians Limited

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