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NOTICE TO INVESTORS IN AUSTRALIA

THIS INFORMATION MEMORANDUM IS NOT A "PROSPECTUS" OR AN "OFFER INFORMATION STATEMENT" FOR THE PURPOSES OF PART 6D.2 OF THE CORPORATIONS ACT OR A "PRODUCT DISCLOSURE STATEMENT" FOR THE PURPOSES OF CHAPTER 7 OF THE CORPORATIONS ACT AND IS NOT REQUIRED TO BE LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION UNDER THE CORPORATIONS ACT AS EACH OFFER FOR THE ISSUE, ANY INVITATION TO APPLY FOR THE ISSUE, AND ANY OFFER FOR THE SALE OF, AND ANY INVITATION FOR OFFERS TO PURCHASE, THE OFFERED NOTES TO A PERSON UNDER THIS INFORMATION MEMORANDUM:

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- (II) DOES NOT OTHERWISE REQUIRE DISCLOSURE TO INVESTORS UNDER PART 6D.2 OF THE CORPORATIONS ACT AND IS NOT MADE TO A RETAIL CLIENT FOR THE PURPOSES OF CHAPTER 7 OF THE CORPORATIONS ACT,

AND IN EACH CASE THE OFFER OR INVITATION COMPLIES WITH ALL APPLICABLE LAWS AND DIRECTIVES.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

THIS INFORMATION MEMORANDUM IS NOT A PROSPECTUS FOR THE PURPOSES OF REGULATION (EU) 2017/1129 (AS AMENDED) (THE **EU PROSPECTUS REGULATION**). THIS INFORMATION MEMORANDUM HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF OFFERED NOTES IN THE EUROPEAN ECONOMIC AREA WILL BE MADE ONLY TO A PERSON OR ENTITY QUALIFYING AS A QUALIFIED INVESTOR (AS DEFINED IN ARTICLE 2 OF THE EU PROSPECTUS REGULATION) (AN **EU QUALIFIED INVESTOR**). ACCORDINGLY ANY PERSON MAKING OR INTENDING TO MAKE AN OFFER IN THE EUROPEAN ECONOMIC AREA OF OFFERED NOTES WHICH ARE THE SUBJECT OF THE OFFERING CONTEMPLATED IN THIS INFORMATION MEMORANDUM MAY ONLY DO SO TO ONE OR MORE EU QUALIFIED INVESTORS. NONE OF THE TRUST MANAGER, THE TRUSTEE NOR ANY OF THE JOINT LEAD MANAGERS HAS AUTHORISED, NOR DO THEY AUTHORISE, THE MAKING OF ANY OFFER OF OFFERED NOTES IN THE EUROPEAN ECONOMIC AREA OTHER THAN TO ONE OR MORE EU QUALIFIED INVESTORS.

THE OFFERED NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY EEA RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA. FOR THESE PURPOSES, AN **EEA RETAIL**

INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED "MIFID II"); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (AS AMENDED), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT AN EU QUALIFIED INVESTOR. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE **EU PRIIPS REGULATION**) FOR OFFERING OR SELLING THE OFFERED NOTES OR OTHERWISE MAKING THEM AVAILABLE TO EEA RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE OFFERED NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY EEA RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA MAY BE UNLAWFUL UNDER THE EU PRIIPS REGULATION.

SOLELY FOR THE PURPOSE OF EACH MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE OFFERED NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE OFFERED NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE OFFERED NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE OFFERED NOTES (A **DISTRIBUTOR**) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURERS' TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE OFFERED NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

NOTICE TO INVESTORS IN SINGAPORE

BY ACCEPTING THIS INFORMATION MEMORANDUM, IF YOU ARE AN INVESTOR IN SINGAPORE, YOU: (A) REPRESENT AND WARRANT THAT YOU ARE EITHER: (I) AN INSTITUTIONAL INVESTOR (AS DEFINED IN SECTION 4A OF THE SFA) PURSUANT TO SECTION 274 OF THE SFA; OR (II) AN ACCREDITED INVESTOR (AS DEFINED IN SECTION 4A OF THE SFA) PURSUANT TO AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275 OF THE SFA; AND (B) AGREE TO BE BOUND BY THE LIMITATIONS DESCRIBED THEREIN.

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THE OFFERED NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A "UK RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT, AS DEFINED IN

POINT (8) OF ARTICLE 2 OF COMMISSION DELEGATED REGULATION (EU) 2017/565 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED, THE **EUWA**) AND AS AMENDED; OR (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE UNITED KINGDOM FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED, THE **FSMA**) AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA (SUCH RULES AND REGULATIONS AS AMENDED) TO IMPLEMENT DIRECTIVE (EU) 2016/97 (AS AMENDED), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA AND AS AMENDED (**UK MIFIR**); OR (III) NOT A UK QUALIFIED INVESTOR. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED) AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA AND AS AMENDED (THE **UK PRIIPS REGULATION**) FOR OFFERING OR SELLING THE OFFERED NOTES OR OTHERWISE MAKING THEM AVAILABLE TO UK RETAIL INVESTORS IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE OFFERED NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

IN THE UNITED KINGDOM, THIS INFORMATION MEMORANDUM IS ONLY BEING DISTRIBUTED TO AND IS DIRECTED ONLY AT PERSONS WHO (A) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE INVESTMENT PROFESSIONALS WITHIN THE MEANING OF ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE **FPO**) OR (B) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC") OF THE FPO OR (C) ARE PERSONS TO WHOM THIS INFORMATION MEMORANDUM MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS **RELEVANT PERSONS**). THIS INFORMATION MEMORANDUM MUST NOT BE ACTED ON OR RELIED ON BY PERSONS IN THE UNITED KINGDOM WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS INFORMATION MEMORANDUM RELATES, INCLUDING THE OFFERED NOTES, IS AVAILABLE IN THE UNITED KINGDOM ONLY TO RELEVANT PERSONS AND WILL, IN THE UNITED KINGDOM, BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

IN THIS INFORMATION MEMORANDUM, THE EXPRESSION **UK PROSPECTUS REGULATION** MEANS REGULATION (EU) 2017/1129 (AS AMENDED) AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA AND AS AMENDED.

SOLELY FOR THE PURPOSES OF EACH MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE OFFERED NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE OFFERED NOTES IS ONLY ELIGIBLE COUNTERPARTIES, AS DEFINED IN THE FCA HANDBOOK CONDUCT OF BUSINESS SOURCEBOOK, AND PROFESSIONAL CLIENTS, AS DEFINED IN UK MIFIR; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE OFFERED NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE OFFERED NOTES (A **DISTRIBUTOR**) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURERS' TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO THE FCA HANDBOOK PRODUCT INTERVENTION AND PRODUCT GOVERNANCE SOURCEBOOK IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE OFFERED NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' TARGET MARKET

ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION
CHANNELS.

INFORMATION MEMORANDUM



BLUESTONE PRIME 2024-1 TRUST
\$700,000,000 Mortgage Backed Notes

\$210,000,000 Class A1S Notes Floating Rate Notes Rated 'AAAsf' by Fitch 'AAA(sf)' by S&P	\$408,800,000 Class A1L Notes Floating Rate Notes Rated 'AAAsf' by Fitch 'AAA(sf)' by S&P	\$40,600,000 Class A2 Notes Floating Rate Notes Rated 'AAAsf' by Fitch 'AAA(sf)' by S&P
\$16,800,000 Class B Notes Floating Rate Notes Rated 'AAsf' by Fitch	\$11,340,000 Class C Notes Floating Rate Notes Rated 'Asf' by Fitch	\$4,480,000 Class D Notes Floating Rate Notes Rated 'BBB+sf' by Fitch
\$5,740,000 Class E Notes Floating Rate Notes Rated 'BBB-sf' by Fitch	\$1,120,000 Class G1 Notes Floating Rate Notes Unrated	\$1,120,000 Class G2 Notes Floating Rate Notes Unrated



Trust Manager



Arranger and Joint Lead
Manager



Joint Lead Manager



Joint Lead Manager



Joint Lead Manager



Joint Lead Manager



Joint Lead Manager

This Information Memorandum is dated 26 June 2024

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WARNING

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IMPORTANT NOTICE

The Notes do not represent liabilities of Bluestone, the Arranger, the Joint Lead Managers, the Dealers, the Liquidity Facility Provider or their respective Associates.

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

None of Bluestone, the Arranger, the Joint Lead Managers, the Dealers, the Liquidity Facility Provider or their respective Associates, in any way stands behind the capital value and/or performance of the Notes or the assets of the Trust except, in the case of Bluestone and its Associates, to the limited extent provided in the Transaction Documents for the Trust.

Terms and definitions

References in this Information Memorandum to various parties and documents are explained in sections 1.2 and 12, respectively. Terms (other than the various parties explained in section 1.2) are defined, or their definitions referred to, in the Glossary of Terms in section 13. Section 13 should be referred to in conjunction with any review of this Information Memorandum.

Purpose of this Information Memorandum

This Information Memorandum has been prepared solely in connection with the Trust and relates solely to the proposed issue of Notes by the Trustee as trustee of the Trust.

The purpose of this Information Memorandum is only to assist the recipient to decide whether to proceed with a further investigation of the Notes. This information Memorandum does not relate to, and is not relevant for, any other purpose. It is only a summary of the terms and conditions of the Notes and does not purport to contain all the information a person considering investing in Notes may require. The definitive terms and conditions of the Notes are contained in the Transaction Documents. If there is any inconsistency between this Information Memorandum and the Transaction Documents, the Transaction Documents should be regarded as containing the definitive information. A copy of the Transaction Documents may be viewed at the offices of the Trust Manager in accordance with the procedures outlined in section 12 of this Information Memorandum.

This Information Memorandum is not intended to provide the sole basis of any credit or other evaluation and should not be construed as an offer or invitation to any person to subscribe for or purchase Notes, and must not be relied upon by intending purchasers of Notes.

Limited responsibility

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Date of this Information Memorandum

This Information Memorandum has been prepared based on information available and facts and circumstances known to the Trust Manager as at the Preparation Date. Neither the delivery of this Information Memorandum, nor any offer or issue of Notes, implies or should be relied upon as a representation or warranty that:

- (a) there has been no change since the Preparation Date in the affairs or financial condition of the Trust or any party named in this Information Memorandum; or
- (b) the information contained in this Information Memorandum is accurate, timely and complete at any time after the Preparation Date.

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

None of the Trust Manager, any Relevant Person nor any other person accepts any responsibility to Noteholders or prospective Noteholders to update or correct this Information Memorandum after the Preparation Date with regard to information or circumstances which come to its attention after the Preparation Date.

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

Authorisations

No person is authorised to give any information or make any representation which is not expressly contained in this Information Memorandum and any information or representation which is not contained in this Information Memorandum must not be relied upon as having been authorised by or on behalf of the Trust Manager, any Relevant Person or any other party to the Transaction Documents.

Intending purchasers to make independent investment decisions

The information contained in this Information Memorandum is not a recommendation by the Trust Manager or any Relevant Person that any person subscribe for or purchase any Notes. Each intending purchaser must make its own independent assessment and investigation of the terms of issue of the Notes as it considers appropriate and must base any decision to acquire Notes solely upon such independent assessment and investigation. Each intending purchaser must make its own independent assessment and investigation of the Trustee, the Trust, the assets of the Trust and the Notes and should seek their own tax, accounting and legal advice as to the consequence of investing in or trading any of the Notes.

Distribution to professional investors only

This Information Memorandum has been prepared on a confidential basis for distribution only to professional investors whose ordinary business includes the buying or selling of securities such as the Notes. This Information Memorandum is not intended for and should not be distributed to any other person except with the prior written consent of the Trust Manager.

Corporations Act

Each offer to purchase or invitation to buy Notes will not require disclosure for the purposes of Part 6D.2 or Chapter 7 of the Corporations Act as the amount payable on acceptance of the offer by each person to whom the offer is made or the invitation is issued will be at least \$500,000 (disregarding any amount payable to the extent to which it is to be paid out of money lent by the person offering the Notes or an Associate) or the offer or invitation will otherwise be an offer for which no disclosure is required to be made under Part 6D.2 of the Corporations Act. Additionally, Notes will not be offered to, or entitled to be transferred to or held by, a person who is a retail client within the meaning of section 761G of the Corporations Act. Accordingly, no prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Notes has been or will be lodged with the Australian Securities and Investments Commission, and this Information Memorandum is not required to be lodged with, or registered by, the Australian Securities and Investments Commission.

Distribution

The distribution of this Information Memorandum and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Trust Manager and each Relevant Person to inform themselves about and to observe any such restriction. Further details are set out in section 11.

Investors

Interest withholding tax will be deducted from payments of interest, or amounts in the nature of interest, to any person who is an Offshore Noteholder unless the Notes held by that Offshore Noteholder are or have been offered, and interest is paid from time to time, in a manner which satisfies the exemption from interest withholding tax contained in Section 128F, or unless another exemption applies.

The Trustee proposes to issue the Offered Notes in a way that will satisfy the requirements of Section 128F. However, even if the Offered Notes are issued in a way which complies with Section 128F, interest withholding tax will be deducted in respect of payments of interest or amounts in the nature of interest paid to an Offshore Noteholder holding any Offered Notes whom the Trustee knows or has reasonable grounds to suspect, at the time of the payment, is an associate (as defined in Section 128F) of the Trustee (including each Beneficiary and its

associates) other than one acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of an Australian registered scheme.

Subject to certain statutory exceptions, tax will also be deducted from payments to Noteholders who are Australian residents or non-residents who hold any Notes in carrying on business at or through a permanent establishment of the non-resident in Australia and who do not provide the Trustee with a tax file number or Australian Business Number or an appropriate exemption.

Noteholders and prospective Noteholders should obtain advice from their own tax advisors in relation to the tax implications of an investment in Notes. In particular, a Non-Resident who holds Notes may be subject to restrictions on transfer of Notes and other constraints, risks or liabilities. Non-Residents into whose possession this Information Memorandum comes are required to inform themselves about, and observe, all such restrictions.

Limited recovery

The Trustee's liability to make payments in respect of the Notes is limited to its right of indemnity from the assets of the Trust which are from time to time available to make such payments under the Master Trust Deed, the Series Notice and the Security Trust Deed. All claims against the Trustee in relation to the Notes may only be satisfied out of the assets of the Trust except in the case of (and to the extent of) any fraud, negligence or wilful misconduct on the part of the Trustee.

Each Noteholder is required to accept any distribution of moneys under the Security Trust Deed in full and final satisfaction of all moneys owing to it, and any debt represented by any shortfall that exists after any such final distribution is extinguished.

The Trustee shall not be liable to satisfy any obligations or liabilities from its personal assets except arising from (and to the extent of) any fraud, negligence or wilful misconduct on the part of the Trustee.

None of the Trust Manager, any Relevant Person or their respective Related Bodies Corporate guarantee payment or repayment of any moneys owing to Noteholder or the principal of Notes or the payment of interest, nor do they make any statement (including, without limitation, any representation) with respect to income tax or other taxation consequences of any investment which is made under this Information Memorandum.

Australian financial services licensing regime

Pursuant to section 913B of the Corporations Act, the Trust Manager holds an Australian Financial Services Licence (the **AFSL**), Licence No. 247012, which was issued on 2 March 2004. Under the AFSL, the Trust Manager is authorised to provide general advice in respect of and deal in securities and derivatives with wholesale counterparties and investors. The AFSL enables the Trust Manager to perform various functions, including preparation of financial information relating to the underlying Loans, assisting the Arranger and the Joint Lead Managers in connection with the offering of the Notes, and facilitating the management of interest rate risk arising in connection with the Loans.

References to ratings

There are several references in this Information Memorandum to the credit rating of the Offered Notes and parties. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency. The credit ratings of the Offered Notes should be evaluated independently from similar ratings on other types of notes or securities.

Additionally, a rating agency not hired to rate the Offered Notes may provide an unsolicited rating that differs from (or is lower than) the rating provided by the Designated Rating Agency. No transaction party will be responsible for monitoring any changes to the ratings on the Offered Notes. The Designated Rating Agency may change its methods of determining ratings on mortgage-backed securities or the Offered Notes at any time and from time to time and these changes may occur quickly and/or often.

Neither Designated Rating Agency is established in the European Union and neither is registered in accordance with Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). However, Commission Implementing Decision 2012/627/EU provides that the Australian legal and supervisory framework for credit rating agencies shall be considered as equivalent to the requirements of the CRA Regulation. Fitch Australia Pty Ltd and Standard & Poor's Credit Market Services Europe Limited are established in the European Union and registered under the CRA Regulation (and, as such are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with such CRA Regulation) which currently endorses the credit ratings of Fitch and S&P (as applicable) for regulatory purposes in the European Union. There can be no assurance that such endorsement of the credit ratings of Fitch and S&P will continue.

Selling Restrictions

The Arranger and each Joint Lead Manager has confirmed that it has complied or will comply with each of the selling restrictions set out in section 11.

Exchange Controls and Limitation

(a) Sanctions and Limitations

In accordance with the Autonomous Sanctions Regulations 2011 (Cth) (the **Autonomous Sanctions Regulations**) the Minister for Foreign Affairs and Trade must grant a permit authorising the making of certain supplies or the provision of certain services (including the provision of financial assistance or a financial service (as defined in the Autonomous Sanctions Regulations)) involving or connected with individuals, entities or governments listed for this purpose in the Autonomous Sanctions Regulations.

(b) Australian Ministerial Approval

Under Part 4 of the Australian Charter of the United Nations Act 1945 and related regulations the approval of the Australian Minister for Foreign Affairs, or the Minister's delegate, is required with respect to certain payments and actions in relation to an asset proscribed or listed under, or which is owned or controlled directly or indirectly by a person or entity proscribed or listed under those regulations or is an asset derived or generated from such assets. The Australian Department for Foreign Affairs and Trade maintains a consolidated list of all such proscribed and listed persons and entities, which is publicly available on its website. The identity of such proscribed persons or entities under those regulations may change in the future.

Repo-eligibility

An application may be made by the Trust Manager to the Reserve Bank of Australia (**RBA**) to have the Class A1 Notes classified as eligible securities for the purpose of repurchase agreements with the RBA (**repo-eligibility**).

In this regard, reference is made to the criteria for repo-eligibility announced by the RBA. Under these criteria, if the Trust Manager is unable to provide the relevant prescribed information to the RBA at the time of seeking repo-eligibility, or at any time during the term of the Class A1 Notes as required by the RBA, then the Class A1 Notes may not be, or may cease to be, repo-eligible (as the case may be). The RBA has finalised all templates for the required reporting, so it is possible to determine what actions will be required of the Trust Manager. For example, subsequent changes by the RBA to its criteria could affect whether the Class A1 Notes continue to be repo-eligible.

No assurance can be made that the application (if any) by the Trust Manager for repo-eligibility in respect of the Class A1 Notes (whether made before or after the new criteria are implemented by the RBA) will be successful, or that the Class A1 Notes will continue to be repo-eligible even if they are eligible in relation to their initial issue. If Class A1 Notes are repo-eligible at any time, Noteholders should be aware that relevant disclosures may be made by the Trust Manager to investors and potential investors in Class A1 Notes from time to time in such form as determined by the Trust Manager as it sees fit.

Even if Class A1 Notes are repo-eligible at any time, a Noteholder of Class A1 Notes may not be entitled to access the RBA's repurchase arrangements. Noteholders should consult their own advisers and determine for themselves whether they would be entitled to use any Class A1 Notes as collateral in relation to repurchase arrangements with the RBA. Neither the Trust Manager nor any other person gives any assurance as to whether Class A1 Notes, even if repo-eligible, will be able to be used by any Noteholder as collateral in relation to repurchase arrangements with the RBA.

No Guarantee by NAB, Commonwealth Bank, ING, Macquarie, Westpac or Natixis entities

Investments in the Notes are not deposits or other liabilities of: National Australia Bank Limited ABN 12 004 044 937 (**NAB**) or of any Related Body Corporate of NAB; Commonwealth Bank of Australia ABN 48 123 123 124 (**CBA**) or of any Related Body Corporate of Commonwealth Bank Group; ING Bank N.V., Singapore Branch (AFSL 234557, ARBN 080 178 196) (**ING**) or of any Related Body Corporate of ING Group; Macquarie Bank Limited ABN 46 008 583 542 (**Macquarie**) or of any Related Body Corporate of Macquarie; Westpac Banking Corporation ABN 33 007 457 141 (**Westpac**) or of any other Related Body Corporate of Westpac; or of and Natixis Australia Pty Ltd ABN 51 122 500 690 (**Natixis**) or of any other Related Body Corporate of Natixis, and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. None of NAB, CBA, ING, Macquarie, Natixis or Westpac or any Related Body Corporate of NAB, CBA, ING, Macquarie, Westpac or Natixis guarantees any particular rate of return or the performance of the Notes, nor do they guarantee the repayment of capital from the Notes.

NAB, CBA, ING, Macquarie, Westpac or Natixis, each in its individual capacity and as Arranger and/or Joint Lead Manager, Dealer, Swap Provider or Liquidity Facility Provider, as the case may be:

- (a) has not authorised or caused the issue of this Information Memorandum or made or authorised the application for admission to listing and/or trading or any offer of any Notes to the public and has not separately verified the information contained in this Information Memorandum or any other information supplied in connection with the Notes;
- (b) is not responsible for the admission to listing and/or trading of any of the Notes; and

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- (c) is not responsible or liable for and does not owe any duty to any person who purchases or intends to purchase the Notes in respect of this transaction, including without limitation in respect of the preparation and due execution of the Transaction Documents, the power, capacity or due authorisation of any other party to enter into the Transaction Documents, the enforceability of any of the obligations set out in the Transaction Documents or the legal or taxation position or treatment of the Transaction Documents, the Information Memorandum or the transactions contemplated by them.

US Regulation

The risk retention rules set out in Section 15G of the Securities Exchange Act of 1934 of the United States of America (as amended) as added by Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the **U.S. Risk Retention Rules**) came into effect on 24 December 2016. The Originator does not undertake to retain at least 5% of the credit risk of the Purchased Loans for the purposes of the U.S. Risk Retention Rules. It is intended that the Originator will rely on an exemption provided for in the U.S. Risk Retention Rules regarding non-U.S. transactions. The Notes may not be purchased by, and will not be sold to (or for the account or benefit of) any “U.S. Person” as defined in the U.S. Risk Retention Rules (the **Risk Retention U.S. Persons**) unless a U.S. Risk Retention waiver is obtained from the Trust Manager (on behalf of the Trustee). Each holder of a Note or a beneficial interest therein acquired in the initial offer for, issue of, or subscription for the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Trustee, the Originator, the Trust Manager, the Arranger, the Joint Lead Managers and the Dealers that it (1) either (a) is not a Risk Retention U.S. Person or (b) has received a waiver with respect to the U.S. Risk Retention Rules from the Trust Manager (on behalf of the Trustee), (2) is acquiring such Note for its own account and not with a view to distribution of such Note, and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules. Neither the Trust Manager nor the Trustee is obliged to provide any waiver in respect of the U.S. Risk Retention rules. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S.

This information does not constitute an offer of securities in the US or to any US Person as defined in Regulation S under the Securities Act 1933 of the US (the **US Securities Act**). The securities or other financial instruments described in this information have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the US or to, or for the account of, any US Person except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

European Risk Retention and UK Risk Retention

No party to this transaction (other than Bluestone as described in section 2.13) undertakes for the purposes of the EU Securitisation Regulation and the UK Securitisation Regulation, to retain, in respect of the Trust, on an ongoing basis a material net economic interest of not less than 5% in this securitisation transaction in accordance with the provisions of Article 6(1) of the EU Securitisation Regulation, as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation (which does not take into account any relevant national measures) and/or a material net economic interest of not less than 5% in this securitisation transaction in accordance with the text of Article 6(1) of the UK Securitisation Regulation, as required for the purposes of Article 5(1)(d) of the UK Securitisation Regulation, as applicable.

None of the Trust Manager, the Trustee, the Originator, the Security Trustee, the Arranger, the Joint Lead Managers, the Swap Provider, the Dealers or the Liquidity Facility Provider nor any of their related bodies corporate or affiliates has any responsibility to maintain or enforce

compliance with the EU Securitisation Regulation and/or the UK Securitisation Regulation.

EU Regulation

(j) (a) Prohibition of sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **EU Prospectus Regulation**).

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

None of the Trust Manager, the Trustee, the Originator, the Security Trustee, the Arranger, the Joint Lead Managers, the Swap Provider, the Dealers or the Liquidity Facility Provider has authorised, nor do they authorise, the making of any offer of Notes in the EEA to any retail investor.

The expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

(b) MiFID Product Governance/Professional Investors and ECPs only Target Market

Solely for the purposes of each manufacturer's (within the meaning of MiFID II) product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Prohibition of sales to UK retail investors

The Notes are not intended to be offered, sold or otherwise made available to and will not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of the following:

- (a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**);

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- (b) a customer within the meaning of the Financial Services and Markets Act 2000 (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (the **UK MiFIR**); or
 - (c) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus Regulation**).

Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

None of the Trust Manager, the Trustee, the Originator, the Security Trustee, the Arranger, the Joint Lead Managers, the Swap Provider, the Liquidity Facility Provider or the Dealers has authorised, nor do they authorise, the making of any offer of Notes in the UK to any retail investor.

UK MiFIR product governance / professional investors and ECPs only target market

Solely for the purposes of each manufacturer's (within the meaning of UK MiFIR) product approval process, the target market assessment in respect of the Notes has led to the conclusion that:

- (a) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in the UK Prospectus Regulation; and
- (b) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate.

Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration the manufacturer's target market assessment, however, a Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore Notification

All Notes shall be capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in the Monetary Authority of Singapore (**MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). This constitutes a notification to all relevant persons (as defined in Section 309A(1) of the SFA).

Notification to investors in Singapore

By accepting this document, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined in Section 4A of the SFA pursuant to Section 274 of the SFA or an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA, and (B) agree to be bound by the limitations and restrictions described therein.

Distribution by Joint Lead Managers

This Information Memorandum is intended solely for the use of wholesale clients as defined under the Corporations Act 2001 (Cth).

This information is distributed in Hong Kong by NAB, CBA, ING, Macquarie Capital Limited (**MCL**), Westpac and Natixis, and is intended solely for “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong for the purpose of providing preliminary information and does not constitute any offer to the public within the meaning of the Companies Ordinance (Cap.32) of Hong Kong. Neither MCL nor any of its related companies carries on banking business in Hong Kong, nor are they Authorized Institutions under the Banking Ordinance (Cap. 155) of Hong Kong and therefore none of them are subject to the supervision of the Hong Kong Monetary Authority. The contents of this Information Memorandum have not been reviewed by any regulatory authority in Hong Kong.

This Information Memorandum is made available in Japan by NAB, CBA, ING, Macquarie Capital Securities (Japan) Limited (**MCSJL**), (Financial Instruments Firm. Kanto Financial Bureau (Kin-Sho) No. 231 (Member of Japan Securities Dealers Association and The Financial Futures Association of Japan)), Westpac and Natixis and is intended solely for “Qualified Institutional Investors” and “Joint Stock Companies” with capital of 1 billion yen or more within the meaning of the Financial Instruments and Exchange Law. No part of the information provided herein is to be construed as a solicitation to buy or sell any financial product, or to engage in or refrain from engaging in any transaction. None of NAB, CBA, ING, Westpac or Natixis has a licence for securities-related business in Japan.

This Information Memorandum is distributed in Singapore by NAB, CBA, ING, Macquarie Bank Limited Singapore Branch (**MBL Singapore**), Westpac and Natixis and has not been registered as a prospectus with the Monetary Authority of Singapore. This information and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the financial instruments referred to in this document may not be circulated or distributed, nor may the financial instruments be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) under Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) under Section 275 of the SFA. MBL Singapore holds a licence under the Banking Act, Chapter 19 of Singapore to transact banking business in Singapore and therefore is subject to the supervision of the Monetary Authority of Singapore in respect thereof. As a holder of a banking licence in Singapore, MBL Singapore is exempted from the requirement to hold a Capital Markets Services Licence, Financial Adviser’s Licence, Commodity Broker’s Licence or a Commodity Trading Adviser Licence in Singapore and is permitted to carry on activities regulated under the Securities and Futures Act (Chapter 289), Financial Advisers Act (Chapter 110) and the Commodity Trading Act (Chapter 48A).

This information is distributed in the UK by NAB, CBA, ING, Macquarie Bank Limited, London Branch (**MBLLB**), Westpac and Natixis, and in circumstances where section 21(1) of the Financial Services and Markets Act 2000 (**FSMA**) do not apply and otherwise in compliance with the FSMA. The information is distributed in the Member States of the European Economic Area that have implemented the Directive 2003/71/EC (as amended, including Directive 2010/73/EU) by NAB, CBA, ING, Macquarie Bank Europe Designated Activity Company (**MBE**), NAB, CBA, ING, Westpac and Natixis.

MBLLB is registered in England and Wales (Branch No: BR002678, Company No: FC018220, Firm Reference No: 170934). MBLLB is authorised and regulated by the Australian Prudential Regulation Authority, Authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited

regulation by the Prudential Regulation Authority. Details about the extent of their regulation by the Prudential Regulation Authority are available from them on request. MBE is a company registered in Ireland (company number: 634817) having its registered office at First Floor, Connaught House, 1 Burlington Road, Dublin 4, D04 C5Y6. MBE is regulated by the Central Bank of Ireland.

This Information Memorandum is distributed in New Zealand by NAB, CBA, ING, Macquarie, Westpac and Natixis. This Information Memorandum is not to be distributed to members of the public as defined in the New Zealand Securities Act. Neither Macquarie nor any member of the Macquarie Group, or any of its worldwide related bodies corporate, are registered as a bank in New Zealand by the Reserve Bank of New Zealand under the Reserve Bank of New Zealand Act 1989.

Other than Macquarie, any Macquarie entity noted in this document is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). That entity's obligations do not represent deposits or other liabilities of Macquarie. Macquarie does not guarantee or otherwise provide assurance in respect of the obligations of that entity, unless noted otherwise.

Conflicts of interest

Each of the Arranger, the Joint Lead Managers, the Dealers, the Swap Provider and the Liquidity Facility Provider, acting in any capacity, discloses that in addition to the arrangements and interests (the **Transaction Document Interests**) it will or may have with respect to any party to a Transaction Document or any other person described in the Information Memorandum or as contemplated in the Transaction Documents (each a **Transaction Party**), it, its Related Bodies Corporate, directors, officers and employees:

- (a) may from time to time be a Noteholder or have a pecuniary or other interest with respect to the Notes and they may also have interests relating to other arrangements with respect to a Noteholder or a Note; and
- (b) will or may receive fees, brokerage and commissions or other benefits, and act as principal in any dealing with respect to any Notes (including, without limitation, any investment in certain classes of any Notes on their initial issue),

(the **Note Interests**).

Each person who invests in Notes is taken to acknowledge these disclosures and further acknowledge and agree that:

- (c) each of the Arranger, the Joint Lead Managers, the Dealers, the Swap Provider and the Liquidity Facility Provider and each of their Related Body Corporates, directors, officers and employees (each a **Relevant Entity**) will or may 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, securities trading and brokerage activities, banking, financing, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate commercial and investment banking and research (the **Other Transactions**) in various capacities in respect of any Transaction Party or any other person, both on the Relevant Entity's own account and for the account of other persons (the **Other Transaction Interests**);
- (d) each Relevant Entity may indirectly receive proceeds of the Notes in repayment of debt financing arrangements involving a Relevant Entity. For example, this could occur if the proceeds of the Notes form the purchase price used to acquire the assets

that are currently financed under existing debt financing arrangements involving a Relevant Entity and that purchase price is in turn used to repay any of the debt financing owing to that Relevant Entity;

- (e) each Relevant Entity may purchase Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any offering, sale or resale of the Notes to which the Information Memorandum relates;
- (f) each Relevant Entity in the course of its business (whether with respect to the Transaction Document Interests, the Note Interests, the Other Transaction Interests or otherwise) may act independently of any other Relevant Entity;
- (g) to the maximum extent permitted by applicable law, the duties of each Relevant Entity in respect of any Transaction Party and the Notes are limited to the contractual obligations of the parties to the relevant Transaction Party as set out in the Transaction Documents and, in particular, no advisory or fiduciary duty is owed by a Relevant Entity to any person;
- (h) 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 (the **Relevant Information**);
- (i) to the maximum extent permitted by applicable law, no Relevant Entity is under any obligation to disclose any Relevant Information to any Transaction Party or to any potential investor and this Information Memorandum and any subsequent conduct by a Relevant Entity should not be construed as implying that the Relevant Entity is not in possession of such Relevant Information or that the information in this Information Memorandum is accurate or otherwise up to date; and
- (j) 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, Note Interests or the Other Transaction Interests. For example, the exercise of rights against a Transaction Party arising from the Transaction Document Interests (for example, by a Joint Lead Manager) or from an Other Transaction may affect the ability of the Transaction Party to perform its obligations in respect of the Notes. In addition, the existence of a Transaction Document Interest or Other Transaction Interest may affect how a Relevant Entity in another capacity (for example, as a Noteholder) may seek to exercise any rights it may have in that capacity. These interests may conflict with the interests of a Transaction Party, a potential investor or a Noteholder and a Transaction Party, a potential investor or a Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, a Relevant Entity is not restricted from entering into, performing or enforcing its rights in respect of the Transaction Document Interests, the Note Interests or the Other Transaction Interests and may otherwise continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders, potential investors or a Transaction Party, and the Relevant Entities may in so doing act without notice to, and without regard to, the interests of any such person.

No responsibility for preparation and due execution etc

NAB as Arranger, Joint Lead Manager and Dealer, CBA as Joint Lead Manager and Dealer, ING as Joint Lead Manager and Dealer, Macquarie as Joint Lead Manager and Dealer, Westpac as Joint Lead Manager and Dealer and Natixis as Joint Lead Manager and Dealer, have no responsibility to or liability for and do not owe any duty to any party or other person who purchases or intends to purchase Offered Notes in respect of this transaction, including without limitation in respect of the preparation and due execution of the Transaction Documents and the power, capacity or due authorisation of any other party to enter into and execute the Transaction Documents.

Listing

The Trust Manager may, in its sole discretion, arrange to have the Class A1 Notes and / or Class A2 Notes listed on the ASX. No assurance can be made that an application, if made, will be granted. Prospective purchasers of the Class A1 Notes and/or Class A2 Notes should consult with the Trust Manager to determine the listing status of those Classes.

No application will be made to list any other Classes of Notes on the ASX, or to list any Notes on any other securities exchange.

1. SUMMARY

This section is only a brief summary of the terms and conditions of the Notes. It should be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information which appears in other parts of this Information Memorandum and in the Transaction Documents.

1.1 Overview

Master Trust Deed

A securitisation program was established pursuant to the Master Trust Deed between the Trustee and Bluestone for the purpose of investing in pools of income-producing loans and certain other assets. The Master Trust Deed provides for the creation of an unlimited number of trusts. Each such trust will be a separate and distinct trust fund and will be created subject to the Master Trust Deed and a series notice establishing specific provisions of the relevant trust and the instruments to be issued by that trust. Multiple classes of notes may be issued by the Trustee in relation to each such trust that differ among themselves as to priority of repayment and credit. The trusts can be split into 2 different types, the warehouse funding trusts and the issuing trusts. In all instances, the roles of trustee, trust manager and servicer are undertaken by the same entities in respect of such trusts established under the Master Trust Deed (see section 1.2 below).

Bluestone Prime 2024-1 Trust

The Trust is an issuing trust constituted under the Master Trust Deed and the Notice of Creation of Trust. It is the forty-first trust established under the Master Trust Deed.

The Trustee will issue the Notes to fund the purchase of a pool of prime residential mortgage loans from the Approved Sellers, which will be specified in a Sale Notice from the relevant Approved Seller.

1.2 Parties to the Transaction

Trustee

Permanent Custodians Limited (ACN 001 426 384), as trustee of the Bluestone Prime 2024-1 Trust

Security Trustee

BNY Trust (Australia) Registry Limited (ACN 000 334 636)

Trust Manager

Bluestone Management Pty Limited (ACN 100 341 366)

Approved Sellers

Permanent Custodians Limited, as trustee of the Seller Trusts.

Originators

Bluestone Group Pty Limited (ABN 20 091 201 357) and Bluestone Mortgages Pty Limited (ABN 91 107 503 784)

Servicer

Bluestone Servicing Pty Limited (ACN 122 698 328)

Back-up Servicer

AMAL Asset Management Ltd (ABN 31 065 914 918)

Swap Provider

National Australia Bank Limited (ABN 12 004 044 937)

Liquidity Facility Provider

National Australia Bank Limited (ABN 12 004 044 937)***Arranger***

National Australia Bank Limited (ABN 12 004 044 937)

Joint Lead Managers and Dealers

National Australia Bank Limited (ABN 12 004 044 937)

Commonwealth Bank of Australia (ABN 48 123 123 124)

ING Bank N.V., Singapore Branch (AFSL 234557, ARBN 080 178 196)

Macquarie Bank Limited (ABN 46 008 583 542)

Westpac Banking Corporation (ABN 33 007 457 141)

Natixis Australia Pty Ltd (ABN 51 122 500 690)

Residual Income Unit Holder and Residual Capital Unit Holder

Bluestone Capital Management Pty Limited (ACN 130 838 756)

1.3 Issue of Notes***Trustee of the Notes***

The Trustee as trustee of the Trust.

Description of the Notes

The Notes are pass-through floating rate debt securities.

The Notes are issued with the benefit of, and subject to, the Master Trust Deed, the Series Notice and the Security Trust Deed.

Classes of Notes

There are nine Classes of Notes:

-
- (a) Class A1S Notes
 - (b) Class A1L Notes
 - (c) Class A2 Notes
 - (d) Class B Notes
 - (e) Class C Notes
 - (f) Class D Notes
 - (g) Class E Notes
 - (h) Class G1 Notes
 - (i) Class G2 Notes

Each Class A1S Note, Class A1L Note, Class A2 Note, Class B Note, Class C Note, Class D Note, Class E Note, Class G1 Note and Class G2 Note is a **Note**.

Each Class A Note, Class B Note, Class C Note, Class D Note, Class E Note and Class G1 Note is an **Offered Note**.

Each Class A1S Note, Class A1L Note and Class A2 Note is a **Class A Note**.

Each Class A1S Note and Class A1L Note is a **Class A1 Note**.

Each Class G1 Note and Class G2 Note is a **Class G Note**.

Note Issue Date

The Note Issue Date is intended to be 27 June 2024.

Payment Dates

The 14th day of each calendar month.

The first Payment Date will be 14 August 2024.

The final Payment Date for any Class of Notes is the earlier of the Maturity Date for that Note and the Payment Date on which those Notes are finally redeemed.

If any payment is due under a Transaction Document on a day which is not a Business Day, the due date will be the next Business Day.

Collection Period

In relation to a Payment Date, the period from (and including) the first day of the calendar month immediately preceding the calendar month in which the Payment Date occurs to (and including) the last day of that calendar month. The first Collection Period is the period from (but excluding) the Closing Date to (and including) 31 July 2024. The Collection Period in relation to the final Payment Date is the period from (and including) the first day of the calendar month preceding the calendar month in which the final Payment Date occurs to (and including) that Payment Date.

Interest Period

In relation to a Note:

- (a) in relation to the first Interest Period of any Class of Note, the period commencing on (and including) the relevant Note Issue Date and ending on (but excluding) the first Payment Date;
- (b) in relation to the final Interest Period of any Class of Note, the period commencing on (and including) the Payment Date prior to the Maturity Date and ending on (but excluding) the Maturity Date for that Class of Note or the Payment Date on which those Notes are finally redeemed; and
- (c) in relation to each other Interest Period, each period commencing on (and including) a Payment Date and ending on (but excluding) the next Payment Date.

Interest Rate

The Interest Rate in respect of each Note is described in section 2.2(d).

Maturity Date

The Maturity Date for each Class of Notes is the Payment Date in July 2065.

Record Date

In relation to a date for payment of any amount in relation to a Note, 4:00 pm (Sydney time) on the date which is 2 Business Days before that date for payment.

Initial Principal Amount

Each Class A Note, Class B Note, Class C Note, Class D Note and Class E Note will be denominated with an Initial Principal Amount of \$10,000 per Note and each other Class of Note will be denominated with an Initial Principal Amount of \$1 per Note.

Total Initial Principal Amount of each Class

Class A1S Notes:	\$210,000,000
Class A1L Notes:	\$408,800,000
Class A2 Notes:	\$40,600,000
Class B Notes:	\$16,800,000
Class C Notes:	\$11,340,000
Class D Notes:	\$4,480,000
Class E Notes:	\$5,740,000
Class G1 Notes:	\$1,120,000
Class G2 Notes:	\$1,120,000

Issue Price

Each Note will be issued at par value.

Expected Ratings

It is expected that:

- (a) the Class A1S Notes will be initially rated AAAsf long term by Fitch and AAA(sf) long term by S&P;
- (b) the Class A1L Notes will be initially rated AAAsf long term by Fitch and AAA(sf) long term by S&P;
- (c) the Class A2 Notes will be initially rated AAAsf long term by Fitch and AAA(sf) long term by S&P;
- (d) the Class B Notes will be initially rated AAsf long term by Fitch;
- (e) the Class C Notes will be initially rated Asf long term by Fitch;
- (f) the Class D Notes will be initially rated BBB+sf long term by Fitch;
- (g) the Class E Notes will be initially rated BBB-sf long term by Fitch; and
- (h) the Class G1 Notes and Class G2 Notes will not be rated.

Ratings other than these have not been requested. There can be no assurance as to whether another rating agency will rate the Notes and if so, what ratings would be so assigned to the Notes. Any ratings so assigned could be lower than those indicated above.

The ratings of the Notes should be evaluated independently from similar ratings on other types of Notes. A Note rating is not a recommendation to buy, sell or hold Notes and may be subject to revision or withdrawal at any time by the assigning Designated Rating Agency.

The ratings of the Notes do not address the expected rate of principal repayments (including prepayments) under the Purchased Loans.

Neither Fitch nor S&P has been involved in the preparation of this Information Memorandum other than this section headed “Expected Ratings”.

Interest on Notes

Interest on the Notes for each relevant Interest Period will be:

- (i) payable in arrears on the relevant Payment Date following the end of that Interest Period; and
- (ii) first payable on 14 August 2024.

Interest payable on each Class of Note will be calculated with reference to the respective Principal Amount of the relevant Class of Note on the first day of the Interest Period the applicable Interest Rate (if any) for the relevant Class and the actual number of days in the relevant Interest Period.

Interest payable on any Note which is not paid when due will be capitalised at the end of each relevant Interest Period on the relevant Payment Date to form part of the Principal Amount of that Note.

Principal Payments

Repayment of principal for a Note will be made to the persons whose names are, on the Record Date, entered in the Register as holders of the Note.

Principal Collections will be distributed by the Trustee as described in sections 6.11 and 6.12.

Currency

Each Class of Note will be denominated in Australian Dollars.

Early Redemption

The Notes may be redeemed early, in full, on a Payment Date falling on or after the Call Date as described in section 6.14.

1.4 Loans

Acquisition of the Loans

On the Closing Date, the proceeds of the issue of the Notes will be applied by the Trustee towards paying to the Approved Sellers the purchase price for the Loans to be acquired on the Closing Date.

The Loans purchased by the Trust will be specified in one or more Sale Notices from each Approved Seller to the Trustee.

Each Loan is required to satisfy the Eligibility Criteria set out in section 4.4.

If the Trustee determines not to acquire the Loans offered to it under a Sale Notice, it will not issue the Notes.

Assignment of the Loans

On the Closing Date, each Approved Seller will assign the beneficial interest in the Loans and related Mortgages and guarantees to the Trustee, pursuant to one or more Sale Notices substantially in the form annexed to the Master Trust Deed and subject to payment by the Trustee of the relevant Purchase Price, after which the Trustee will be entitled to receive Collections on the Purchased Loans as trustee of the Trust. The Trustee already has legal title to the Purchased Loans in its capacity as each Approved Seller, being the trustee of the relevant Seller Trusts.

Servicing

Bluestone Servicing Pty Limited has been appointed as servicer of the Purchased Loans under the terms of the Servicing Agreement (in that capacity, the **Servicer**).

AMAL Asset Management Ltd has been appointed as back-up servicer of the Purchased Loans under the terms of the Back-up Servicing Agreement (the **Back-up Servicer**).

Custody

The Trustee will maintain custody of the documents relating to the Purchased Loans and related Mortgages and guarantees.

1.5 Liquidity Support

If there is a shortfall in Available Income such that the Trustee would be unable to pay Interest on the Notes for a given Interest Period, the Trustee may seek to use the following liquidity support as set out below.

Principal Draws

If there is a Payment Shortfall for the relevant Collection Period, the Trust Manager must direct the Trustee to make a drawing from Principal Collections (if available) as a Principal Draw, as described in section 6.4.

Liquidity Draws

If there is a Liquidity Shortfall for the relevant Collection Period, the Trust Manager must direct the Trustee to make a drawing under the Liquidity Facility Agreement (if available) as a Liquidity Draw, as described in section 6.5.

Extraordinary Expense Reserve

If there are Extraordinary Expenses for the relevant Collection Period, the Trust Manager must direct the Trustee to make an Extraordinary Expense Reserve Draw from the Extraordinary Expense Reserve (if available), as described in section 6.21.

1.6 Funding of Redraws

- (a) If a Borrower makes Additional Repayments in relation to a Purchased Loan and requests a Redraw, the Trust Manager may direct the Trustee to provide that Redraw to the Borrower (or to reimburse the Servicer for providing that Redraw to the Borrower on Trustee's behalf), provided the conditions set out in section 6.3 are satisfied.
- (b) The Trustee will fund Redraws (or reimburse the Servicer for Redraws funded by it on the Trustee's behalf) for a Collection Period from Principal Collections, to the extent that they are sufficient and available to be applied for that purpose as described in section 6.11.
- (c) The Trust Manager must not direct the Trustee to fund any New Money Advance.
- (d) Where a Borrower has requested a New Money Advance in respect of a Purchased Loan, the Trust Manager may direct the Trustee to dispose of that Purchased Loan (to facilitate the making of that New Money Advance) for a purchase price equal to the then Unpaid Balance of that Purchased Loan.

1.7 Security Trust Deed

The Trustee has, pursuant to the Security Trust Deed, granted a charge to the Security Trustee over the Trust's assets for the benefit of Noteholders and certain other creditors of the Trust.

1.8 Further Information

Application for Notes

Notes can only be applied for using the prescribed form of application, which is available from the Trustee at its offices.

Transfer

Unless lodged in Austraclear, the Notes may only be purchased or sold by execution and registration of a Note Transfer.

Notes can only be transferred if:

- (a) either
 - (i) the amount payable on acceptance of the offer by the transferee in relation to the relevant Notes is not less than \$500,000 (disregarding any amount payable to the extent to which it is to be paid out of money lent by the person offering the Notes or an Associate); or
 - (ii) the offer or invitation to the transferee by the Noteholder otherwise does not require disclosure under Part 6D.2 or Chapter 7 of the Corporations Act;
- (b) the transfer is to a person who is not a retail client within the meaning of section 761G of the Corporations Act; and
- (c) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place (including that any offer resulting in such transfer of Notes must not require the Trust Manager, the Trustee or any Dealer or Joint Lead Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation), or to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, as applicable.

No Relevant Person is liable to any Noteholder in relation to a breach by that Noteholder of these restrictions.

Stamp Duty

The Trust Manager has received advice that neither the issue, nor the transfer, of the Notes will currently attract stamp duty in any jurisdiction of Australia.

1.9 Interest Rate Risk Management

For the purposes of hedging the interest rate risk between fixed rates of interest on certain of the Purchased Loans and the floating rate obligations of the Trust (for example, interest on the Notes), the Trustee will enter into a Swap Agreement with the Swap Provider.

NAB will be the initial Swap Provider in respect of the Swap Agreement.

Under the Swap Agreement, the Trust will pay to the Swap Provider collections on loans bearing a fixed rate of interest and the Swap Provider will pay amounts determined by reference to AUD-BBSW (as defined in the Swap Agreement) plus a margin based on the aggregate unpaid principal amount of all Purchased Loans which are Fixed Rate Loans as at the first day of the Collection Period.

For more details on the Swap Agreement see section 9.3.

A Purchased Loan may not bear a fixed rate of interest for more than 5 years from the Closing Date.

See section 4.12 in relation to fixing the interest rate on Purchased Loans.

1.10 Anti-money laundering

Each of the Trustee, the Security Trustee, the Trust Manager, the Servicer or Bluestone (the **Provider**) must, on the request of any of them (the **Recipient**), provide the Recipient with any information or document in the Provider's possession or otherwise readily available to the Provider, where such information or document is required by the Recipient to comply with any applicable anti-money laundering or counter-terrorism financing laws including any such laws requiring the Recipient to carry out "know your customer" or other identification checks or procedures (**Relevant Laws**).

This obligation to provide information is subject to any confidentiality, privacy or other obligations imposed by law on the Provider in relation to the requested information or document, except to the extent overridden by the Relevant Laws.

2. DETAILS OF THE NOTES

2.1 General Description of the Notes

The Notes are debt securities issued by the Trustee in its capacity as trustee of the Trust. They are characterised as secured, amortising, pass through, floating rate debt securities. They are issued with the benefit of, and subject to, the Master Trust Deed, the Series Notice and the Security Trust Deed.

The obligations of the Trustee are secured by way of a registered charge granted to the Security Trustee over the assets of the Trust in favour of Noteholders and other creditors of the Trust. The Security Trust Deed is described in section 8, including priorities that will apply if the Security Trust Deed is enforced.

2.2 Interest

(a) Payment

Interest on each Note is payable monthly in arrears on each Payment Date to the person whose name is, on the relevant Record Date, entered in the Register as the holder of that Note.

(b) Calculation

(i) Subject to paragraph (ii), Interest payable on each Note, in respect of each Interest Period for that Note is calculated:

- A. on a daily basis at the applicable Interest Rate;
- B. on the Principal Amount of that Note as at the first day of that Interest Period; and
- C. on the basis of the actual number of days in that Interest Period and a year of 365 days,

and in each case shall accrue due from day to day for the relevant period.

(ii) No interest will accrue on any Class G1 Note or Class G2 Note on and from the Call Date.

(iii) No interest will accrue on any Note for the period from and including the date on which the Stated Amount of that Note is reduced to zero.

(c) Interest Period

The first Interest Period in relation to a Note commences on (and includes) the relevant Note Issue Date and ends on (but excludes) the first relevant Payment Date.

Each succeeding Interest Period, commences on (and includes) the relevant Payment Date and ends on (but excludes) the next relevant Payment Date.

The final Interest Period for a Note commences on (and includes) the relevant Payment Date prior to its Maturity Date and ends on (but excludes) its Maturity Date or the Payment Date on which those Notes are finally redeemed.

(d) **Interest Rate**

The **Interest Rate** in relation to any Class of Note for an Interest Period, is the sum of:

- (i) the BBSW Rate (or any applicable Fallback Rate) on the Interest Determination Date for the Interest Period; and
- (ii) the relevant Margin for that Class of Notes,

provided that the Interest Rate in relation to the Class G Notes for each Interest Period commencing from the Call Date is zero.

If the calculation of an Interest Rate in respect of a Class of Notes and an Interest Period as above would produce a rate of less than zero percent per annum, the Interest Rate in respect of that Class of Notes for that Interest Period will be zero percent per annum.

The **Margin** for each Class of Note will be as follows:

- (i) Class A1S Notes:
 - A. prior to the Call Date – 0.90% per annum; and
 - B. on and after the Call Date – 1.15% per annum;
- (ii) Class A1L Notes:
 - A. prior to the Call Date – 1.20% per annum; and
 - B. on and after the Call Date – 1.45% per annum;
- (iii) Class A2 Notes:
 - A. prior to the Call Date – 1.55% per annum; and
 - B. on and after the Call Date – 1.80% per annum;
- (iv) Class B Notes – 1.75% per annum;
- (v) Class C Notes – 1.95% per annum;
- (vi) Class D Notes – 2.30% per annum;
- (vii) Class E Notes – 4.80% per annum; and
- (viii) Class G Notes: prior to the Call Date, the Margin determined on the Note Issue Date of those Class G Notes as inscribed in the Register in relation to those Class G Notes and on and after the Call Date, zero.

(e) **Priority**

Generally, Interest on Notes for an Interest Period will be paid in the following order of priority

- (i) first, to the Class A1 Noteholders (*pari passu* and rateably between the Class A1S Noteholders and the Class A1L Noteholders);
- (ii) next, to the Class A2 Noteholders;
- (iii) next, to the Class B Noteholders;
- (iv) next, to the Class C Noteholders;
- (v) next, to the Class D Noteholders;
- (vi) next, to the Class E Noteholders;
- (vii) next, to the Class G1 Noteholders; and
- (viii) next, to the Class G2 Noteholders,

provided that Residual Interest (if any) on any Class of Notes on any Payment Date will be as set out in section 6.10 on that Payment Date.

The priority of Interest payments in respect of the Notes is set out in more detail in sections 6.9 and 6.10.

(f) **Overdue Interest**

Interest accrues on each unpaid amount (whether Interest or principal) which is due and payable by the Trustee under or in respect of any Note:

- (i) on a daily basis up to the date of actual payment from (and including) the due date;
- (ii) both before and after judgment (as a separate and independent obligation); and
- (iii) at the rate equal to the Interest Rate for that Note immediately before the due date.

(g) **Capitalisation of unpaid Interest**

Interest payable on any Note which is not paid when due will be capitalised at the end of each relevant Interest Period on the relevant Payment Date to form part of the Principal Amount of that Note.

(h) **Number of Notes**

The number of Notes of each Class on a Note Issue Date is the aggregate Initial Principal Amounts of Notes of that Class on that Note Issue Date divided by the Initial Principal Amount of each Note.

2.3 Principal Payments on the Notes

(a) Initial allocation of principal

Principal Collections for a Collection Period will initially be applied in the following order of priority:

- (i) first, to allocate to Total Available Funds any Principal Draw;
- (ii) second, to pay Redraws (or reimburse the Servicer for Redraws funded by it on the Trustee's behalf); and
- (iii) third, to be paid to the Principal Repayment Pool.

The priority of initial payments of Principal Collections is set out in more detail in section 6.11.

(b) Principal Repayment Pool

If the Stepdown Criteria are satisfied on a Determination Date, any amounts allocated to the Principal Repayment Pool with respect to a Payment Date must be applied by the Trustee, on direction from the Trust Manager in the following order of priority:

- (i) first – *pari passu* and rateably to the:
 - A. Class A1L Noteholders in payment of the Principal Amount of the Class A1L Notes until such time as all Class A1L Notes have been redeemed;
 - B. Class A2 Noteholders in payment of the Principal Amount of the Class A2 Notes until such time as all Class A2 Notes have been redeemed;
 - C. Class B Noteholders in payment of the Principal Amount of the Class B Notes until such time as all Class B Notes have been redeemed;
 - D. Class C Noteholders in payment of the Principal Amount of the Class C Notes until such time as all Class C Notes have been redeemed;
 - E. Class D Noteholders in payment of the Principal Amount of the Class D Notes until such time as all Class D Notes have been redeemed;
 - F. Class E Noteholders in payment of the Principal Amount of the Class E Notes until such time as all Class E Notes have been redeemed; and
 - G. as an allocation to the Turbo Principal Allocation, an amount equal to the payment that would be made to the Class G Noteholders if the

Class G Noteholders were receiving a payment or principal on the Class G Notes under this subparagraph H until such time as all Class G Notes would have been redeemed;

- (ii) next – to the extent of any surplus to be distributed on termination of the Trust:
 - A. first, in repaying the subscription amount of each Residual Capital Unit *pari passu* and rateably amongst the Residual Capital Unit Holders; and
 - B. second, payment of the balance to the Residual Income Unit Holders as a distribution of capital in proportion to their respective Income Percentages.

If the Stepdown Criteria are not satisfied on a Determination Date, any amounts allocated to the Principal Repayment Pool with respect to a Payment Date must be applied by the Trustee, on direction from the Trust Manager in the following order of priority:

- (i) first - *pari passu* to Class A1S Noteholders in payment of the Principal Amount of the Class A1S Notes until such time as all Class A1S Notes have been redeemed;
- (ii) next – *pari passu* to the Class A1L Noteholders in payment of the Principal Amount of the Class A1L Notes until such time as all Class A1L Notes have been redeemed;
- (iii) next – *pari passu* to the Class A2 Noteholders in payment of the Principal Amount of the Class A2 Notes until such time as all Class A2 Notes have been redeemed;
- (iv) next – *pari passu* to Class B Noteholders in payment of the Principal Amount of the Class B Notes until such time as all Class B Notes have been redeemed;
- (v) next – *pari passu* to Class C Noteholders in payment of the Principal Amount of the Class C Notes until such time as all Class C Notes have been redeemed;
- (vi) next – *pari passu* to Class D Noteholders in payment of the Principal Amount of the Class D Notes until such time as all Class D Notes have been redeemed;
- (vii) next – *pari passu* to Class E Noteholders in payment of the Principal Amount of the Class E Notes until such time as all Class E Notes have been redeemed;
- (viii) next – *pari passu* to Class G1 Noteholders in payment of the Principal Amount of the Class G1 Notes until such time as all Class G1 Notes have been redeemed;

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- (ix) next – ***pari passu*** to Class G2 Noteholders in payment of the Principal Amount of the Class G2 Notes until such time as all Class G2 Notes have been redeemed; and
 - (x) next – to the extent of any surplus to be distributed on termination of the Trust:
 - A. first, in repaying the subscription amount of each Residual Capital Unit ***pari passu*** and rateably amongst the Residual Capital Unit Holders; and
 - B. second, payment of the balance to the Residual Income Unit Holders as a distribution of capital in proportion to their respective Income Percentages.

(c) **Early redemption**

The Notes may be redeemed in full early on a Payment Date falling on or after the Call Date as described in section 6.14.

2.4 Payment

Any amounts payable to a Noteholder will be paid in Australian dollars and may be paid by:

- (a) electronic transfer through Austraclear;
- (b) direct transfer to a designated account of the Noteholder held with a bank or other financial institution in Australia; or
- (c) any other manner specified by the Noteholder and agreed to by the Trust Manager and the Trustee.

All payments in respect of Notes will be rounded down to the nearest cent.

2.5 Register of Noteholders

The Trustee will maintain a register (the ***Register***) at its offices in Sydney. The Register will include the names and addresses of the Noteholders and the Principal Amount of each Note or Class of Notes from time to time.

The Trustee is entitled to rely on the Register as being a correct, complete and conclusive record of the matters set out in it.

The Trustee may, without prior notice to the Noteholders, close the Register:

- (a) in relation to any Note, each period from the close of business (Sydney time) on the date which is 2 Business Days before each Payment Date for that Note to close of business on that Payment Date; or
- (b) when required for the Auditor to conduct any audit in relation to the Trust.

The Trustee may, with prior notice to the Noteholder, close the Register for other periods not exceeding 30 days (or such other period of time as agreed between the

Trustee and the Trust Manager, with the approval of an Extraordinary Resolution of Noteholders) in aggregate in any calendar year.

On each Payment Date for any Note, principal and Interest will be paid to the Noteholder for that Note whose names appear in the Register on the Record Date.

The Register is open for inspection by a Noteholder during normal business hours but only in respect of information relating to that Noteholder. The Register is not available to be copied by any person (other than the Trust Manager) except in compliance with such terms and conditions (if any) as the Trust Manager and Trustee in their absolute discretion nominate from time to time.

2.6 Note Acknowledgment

When a person has been entered in the Register as the holder of Notes, as soon as practicable (and in any event no later than 5 Business Days or such shorter period specified in the relevant Series Notice or as otherwise agreed by the Trustee with the person or the Trust Manager) thereafter, the Trustee shall issue a **Note Acknowledgment** to that person in respect of those Notes. If the person has been entered into the relevant Register under a Note Transfer and the transferor continues to retain a holding of Notes, the Trustee shall within the same period issue to the transferor a Note Acknowledgment in respect of that retained holding of Notes. No certificates will be issued in respect of Notes.

A Note Acknowledgment is not a certificate of title to Notes and the Register is the only conclusive evidence of the ownership of Notes and the entitlements under them. A Note Acknowledgment cannot be pledged or deposited as security nor can a Note be transferred by delivery of only a Note Acknowledgment.

Each Note Acknowledgment shall be signed on behalf of the Trustee manually, or in facsimile by mechanical or electronic means, by any Authorised Signatory of the Trustee. If any Authorised Signatory of the Trustee whose signature appears on a Note Acknowledgment dies or otherwise ceases to be an Authorised Signatory before the Note Acknowledgment has been issued, the Trustee may nevertheless issue the Note Acknowledgment.

If a Noteholder wishes more than one Note Acknowledgment it shall return its Note Acknowledgment to the Trustee and at the same time request in writing the issue of a specified number of separate Note Acknowledgments. The Trustee shall then cancel the original Note Acknowledgment and issue in lieu separate Note Acknowledgments. A fee prescribed by the Trustee (not exceeding \$10 for each Note Acknowledgment) shall be paid by the Noteholder to the Trustee.

If any Note Acknowledgment is worn out or defaced, then on production to the Trustee it may cancel the same and may issue a new Note Acknowledgment. If any Note Acknowledgment is lost or destroyed then on proof to the satisfaction of the Trustee, and on such indemnity as the Trustee may consider adequate having been given, a new Note Acknowledgment will be given to the person entitled to the lost or destroyed Note Acknowledgment. An entry as to the issue of the new Note Acknowledgment and of the indemnity (if any) will be made in the relevant Register. A fee prescribed by the Trustee (not exceeding \$10) is required to be paid to the Trustee by the person requesting the new Note Acknowledgment.

2.7 Note Transfers

A Noteholder is entitled to transfer any of its Notes subject to the conditions that:

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- (a) either
 - (i) the amount payable on acceptance of the offer by the transferee is greater than \$500,000 (disregarding any amount payable to the extent to which it is to be paid out of money lent by the person offering the Notes or an Associate); or
 - (ii) the offer or invitation to the transferee by the Noteholder in relation to such Notes does not otherwise require disclosure under Part 6D.2 or Chapter 7 of the Corporations Act;
 - (b) the transfer is to a person who is not a retail client within the meaning of section 761G of the Corporations Act; and
 - (c) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place (including that any offer resulting in such transfer of Notes must not require the Trust Manager, the Trustee, any Dealer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation, or to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, as applicable).

Every transfer of Notes shall be effected by a Note Transfer in the prescribed form (a **Note Transfer**).

Every Note Transfer must be duly completed and executed by the transferor and transferee, stamped (if applicable) and lodged, together with the Note Acknowledgment to which it relates, with the Trustee for registration.

The Trustee is entitled to accept and assume the authenticity and genuineness of any Note Transfer to be duly executed. The Trustee is not bound to enquire into the authenticity or genuineness of any Note Transfer, nor will it incur any liability for registering any Note Transfer which is subsequently discovered to be a forgery or otherwise defective, unless the Trustee had actual notice of such forgery or defect at the time of registration of the Note Transfer.

The Trustee may refuse to register any Note Transfer which would result in:

- (a) a contravention of or failure to observe:
 - (i) the terms of the Master Trust Deed, the Series Notice or the Security Trust Deed; or
 - (ii) a law of any State or Territory of the Commonwealth of Australia or of the Commonwealth of Australia; or
- (b) an obligation to procure registration of the Notes, the Master Trust Deed, the Security Trust Deed or the Series Notice with, or the approval of any of them by, any government agencies.

The Trustee shall not be bound to give any reason for refusing to register any Note Transfer and its decision shall be final, conclusive and binding. If the Trustee refuses to register a Note Transfer it shall as soon as practicable (and in

no event later than 7 days after the date the Note Transfer was lodged with it) send to the transferor and the transferee notice of such refusal.

A Note Transfer shall not take effect until registered by the Trustee and until the transferee is entered in the relevant Register as the holder of the Notes which are the subject of the Note Transfer the transferor shall remain the holder of those Notes.

When a Note Transfer is received by the Trustee during any period when the relevant Register is closed for any purpose, the Trustee shall not register the Note Transfer until the next Business Day on which that Register is reopened.

The Noteholder may be subject to taxation in respect of any gain made on the transfer of Notes. The specific taxation implications in respect of the transfer depends on the nature of the gain which will vary as between Noteholders. Broadly, the taxation consequences will depend on whether Noteholders own the Notes on revenue or capital account.

Noteholders should seek their own advice in relation to the specific taxation consequences of the transfer of their Notes.

2.8 Marked Transfer and Acceptance

A Noteholder may request the Trustee to provide a marked Note Transfer in relation to their Notes. Once a Note Transfer has been marked by the Trustee, for a period of 90 days thereafter the Trustee will not register any transfer of Notes relating thereto other than on that marked Note Transfer.

2.9 Austraclear

If Notes are lodged into the Austraclear system, the Trustee will enter Austraclear in the relevant Register as the holder of those Notes. While those Notes remain in the Austraclear system:

- (a) all payments and notices required of the Trustee and the Trust Manager in relation to those Notes will be directed to Austraclear; and
- (b) all dealings (including transfers) and payments in relation to those Notes within the Austraclear system will be governed by the regulations published by Austraclear.

If admitted to Austraclear, interests in the Notes may also be held through Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) or Clearstream Banking S.A. (**Clearstream, Luxembourg**) (each of Austraclear, Euroclear and Clearstream, Luxembourg being a “Clearing System”). In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in Austraclear by HSBC Custody Nominees (Australia) Limited as a nominee of Euroclear, while entitlements in respect of holdings of interests in Notes in Clearstream, Luxembourg would be held in Austraclear by a nominee of BNP Paribas Securities Services, Sydney Branch as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in Notes held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of

agreements between Euroclear and Clearstream, Luxembourg and their respective nominees and / or custodians and the rules and regulations of Austraclear.

Any transfer of interest in any Note which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on Austraclear, be subject to the Corporations Act and the requirements for minimum consideration summarised in the section entitled “Transfer” in section 1.8 and in section 2.7.

None of the Trustee, the Trust Manager or any other party to any Transaction Document will be responsible for the operation of the Clearing Systems or their clearing arrangements, which is a solely matter for the clearing institutions, their nominees, their participants and the relevant investors.

2.10 Limits on rights of Creditor and Beneficiary

No Creditor or Beneficiary shall be entitled to:

- (a) require the Trustee to owe to it, or act in a manner consistent with, any fiduciary obligation in any capacity;
- (b) an interest in any particular part of the Trust or asset comprised in the Trust;
- (c) require the transfer to it of any asset comprised in the Trust;
- (d) interfere with or question the exercise or non-exercise of the rights or powers of the Servicer, the Trust Manager or the Trustee in their dealings with the Trust or any asset;
- (e) exercise any rights, powers or privileges in respect of any asset in the Trust;
- (f) attend meetings or take part in or consent to any action concerning any property or corporation which the Trustee as trustee of the Trust holds an interest;
- (g) seek to wind up or terminate the Trust;
- (h) seek to remove the relevant Servicer, Trust Manager, Trustee or any Support Facility Provider;
- (i) interfere in any way with the Trust;
- (j) lodge or enter a caveat or similar instrument in relation to the Register or claim any estate or interest in any land over which a Mortgage is held or to which any other asset relates in respect of the Trust;
- (k) except where the Creditor or Beneficiary is the Trust Manager an Associate of the Trust Manager or an Approved Seller, or the Trustee has otherwise consented, and subject to any provision of a Transaction Document which allows any such communication, negotiate or otherwise communicate in any way with any Borrower under any Loan assigned to the Trustee or with any person providing a Support Facility to the Trustee or any other person who is party to any Transaction Document;

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- (l) take any proceedings of any nature whatsoever in any court or otherwise or to obtain any remedy of any nature (including against the Trustee, the Trust Manager or the Servicer or any former Trustee, Trust Manager or Servicer or in respect of the Trust or any asset of the Trust). This does not limit the right of the Noteholders to compel the Trustee, the Trust Manager and any Servicer to comply with their respective duties and obligations under the Transaction Documents; or
 - (m) any recourse whatsoever to the Trustee or the Trust Manager in their personal capacity, except to the extent of any fraud, negligence or wilful misconduct on the part of the Trustee or the Trust Manager respectively or, in the case of the Trust Manager only, breach of duty on the part of the Trust Manager.

2.11 Notices to Noteholders

A notice, request or other communication by the Trustee, the Trust Manager or a Servicer to Noteholders shall be deemed to be duly given or made by:

- (a) an advertisement placed on a Business Day in The Australian Financial Review (or other nationally distributed newspaper);
- (b) mail, postage prepaid, to the address of the Noteholders as shown on the Register. Any notice so mailed shall be conclusively presumed to have been duly given whether or not the Noteholder actually receives the notice; or
- (c) notice given through Austraclear system where the Notes are held with Austraclear.

2.12 Joint Noteholders; no trusts

If a single parcel of Notes is held by more than one person, only the person whose name stands first in the relevant Register in relation to that parcel of Notes shall be entitled to be issued the relevant Note Acknowledgment, (if applicable) to be given a marked Note Transfer, to be given any notices and to be paid any moneys due in respect of such Notes.

The Trustee is not obliged to enter on the Register notice of any trust, Security Interest or other interest in respect of any Notes and the Trustee may recognise a Noteholder as the absolute owner of Notes and the Trustee shall not be bound or affected by any trust affecting the ownership of any Notes unless ordered by a court or required by statute.

2.13 Securitisation Regulation Regimes in the EU and the UK

In Europe, there is increased political and regulatory scrutiny of the mortgage-backed securities industry. This has resulted in multiple measures for increased regulation which are at various stages of implementation and which may have an adverse impact on the regulatory position of certain investors in securitisation exposures and/or on the incentives for certain investors to hold market-backed securities, and may thereby affect the liquidity of such securities.

Such regulations include, in particular Regulation (EU) 2017/2402 (as amended) and European Union (the EU) regulatory and/or implementing technical standards, delegated regulations, any relevant guidance and other applicable

national implementing measures in relation thereto (including any applicable transitional provisions) (collectively, the **EU Securitisation Regulation**) and Regulation (EU) 2017/2402 as it forms part of domestic law of the United Kingdom (the **UK**) by virtue of the European Union (Withdrawal) Act 2018 (**UK (EUWA)**), including the Securitisation (Amendment) (EU Exit) Regulations 2019, as amended, varied, superseded or substituted from time to time and applicable UK binding technical standards, regulations, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the Financial Conduct Authority, the Bank of England, the Prudential Regulation Authority, the Pensions Regulator or other relevant UK regulators (collectively, the **UK Securitisation Regulation**).

The EU Securitisation Regulation applies in general in the EU (and will in due course be also applicable in the non-EU member states of the EEA) in respect of securitisations the securities of which were issued (or the securitisation positions of which were created) on or after 1 January 2019.

The UK Securitisation Regulation came into effect in the UK from 11:00pm 31 December 2020 following the end of the transition period in the process of the UK's withdrawal from the EU (note that the UK is also no longer part of the EEA). The EU Securitisation Regulation establishes certain common rules for all securitisations that fall within its scope (including recast of pre-1 January 2019 risk retention and investor due diligence requirements). It should be noted that the EU Securitisation Regulation regime is expected to be amended in due course as a result of its wider review on which, under Article 46 of the EU Securitisation Regulation, the European Commission published a report on 10 October 2022 outlining a number of areas where legislative changes may be introduced, which was followed in December 2023 by the consultation of the European Securities and Markets Authority (**ESMA**) on the possible options for introducing reforms to the reporting requirements, one of which options could, if implemented within two years, significantly simplify what is required on non-EU securitisations.

The UK Securitisation Regulation largely mirrors (with some adjustments) the EU Securitisation Regulation as it applied in the EU at the end of 2020.

The currently applicable UK Securitisation Regulation regime will be revoked and replaced with a new recast regime as a result of the UK post-Brexit move to "A Smarter Regulatory Framework for financial services". The new UK regime (the **Recast UK SR**) is being introduced under the Financial Services and Markets Act 2000 regime, as amended by the Financial Services Markets Act 2023 (**FSMA**) and related thereto: (i) the Securitisation Regulations 2024 (SI 2024/102) made on 29 January 2024, as amended (**2024 UK SR SI**); as well as (ii) the new securitisation rules of the Prudential Regulation Authority (**PRA**) and the Financial Conduct Authority (**FCA**).

It should be noted that the implementation of the UK Securitisation Regulation Reforms is a protracted process and will be introduced in phases. The first phase, which will revoke the existing regime and replace it with the Recast UK SR regime is expected to come into force on 1 November 2024. In the fourth quarter of 2024 and the first quarter of 2025, there will be a phase two to the reforms whereby the UK government, the PRA and the FCA will consult on further changes including, but not limited to, the recast of the transparency and reporting requirements. Therefore, at this stage, not all of the details are known on the implementation of the UK Securitisation Regulation Reforms. Note also that while the Recast UK SR will apply to new securitisations with the UK nexus

closed after 1 November 2024 and investments made in relevant securitisation positions by the UK institutional investors on or after that date, the Recast UK SR also has potential implications for securitisations in-scope of the UK Securitisation Regulation that closed prior to 1 November 2024.

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

EU Investor Requirements

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

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

The EU Investor Requirements provide that, prior to investing in or otherwise holding an exposure to) a "securitisation position" (as defined in the EU Securitisation Regulation), an EU Institutional Investor (other than the originator, sponsor or original lender (each as defined in the EU Securitisation Regulation)) must, among other things:

- (a) verify that where the originator or original lender is established in a third country (that is, not within the EU or the EEA) the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply

those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness;

- (b) verify that the third country originator, sponsor or original lender retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5%, determined in accordance with Article 6 of the EU Securitisation Regulation, and discloses the risk retention to EU Institutional Investors;
- (c) the originator, sponsor or securitisation special purpose entities (**SSPEs**) has, where applicable, made available the information required by Article 7 of the EU Securitisation Regulation (which sets out transparency requirements for originators, sponsors and SSPEs) in accordance with the frequency and modalities provided for in Article 7 (as to which, see below); and
- (d) it may carry out a due-diligence assessment in accordance with the EU Securitisation Regulation which enables the EU Institutional Investor to assess the risks involved, considering at least (i) the risk characteristics of the securitisation position and the underlying exposures, and (ii) all the structural features of the securitisation that can materially impact the performance of the securitisation position.

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

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

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

UK Investor Requirements

Article 5 of the UK Securitisation Regulation largely mirrors Article 5 of the EU Securitisation Regulation described above, but with some differences. However, the currently applicable Article 5 will be revoked and replaced under the UK Securitisation Regulation reforms, which will introduce new divergence, most notably in the area of the due diligence on transparency requirements for third country (non-UK) securitisation. Under the currently applicable Article 5 of the UK Securitisation Regulation, certain matters must be verified and assessed prior to holding a securitisation position and certain due diligence must be carried out on an ongoing basis while holding the securitisation position (the **UK Investor Requirements**) and together with the EU investors and together with the EU Investor Requirements, the **Investor Requirements**) on investments in securitisations (as defined in the UK Securitisation Regulation) by “institutional investors”, defined in the UK Securitisation Regulation to include: (a) an insurance undertaking as defined in section 417(1) of FSMA; (b) a reinsurance undertaking as defined in section 417(1) of FSMA; (c) an occupational pension scheme as defined in section 1(1) of the Pension Schemes Act 1993 that has its main administration in the UK, or a fund manager of such a scheme appointed under section 34(2) of the Pensions Act 1995 that, in respect of activity undertaken pursuant to that appointment, is authorised for the purposes of section 31 of FSMA; (d) an AIFM as defined in regulation 4(1) of the Alternative Investment Fund Managers Regulations 2013 which markets or manages AIFs (as defined in regulation 3 of those Regulations) in the UK; (e) a management company as defined in section 237(2) of FSMA; (f) a UCITS as defined by section 236A of FSMA, which is an authorised open ended investment company as defined in section 237(3) of FSMA; (g) a CRR firm as defined by Article 4(1)(2A) of Regulation (EU) No 575/2013, as it forms part of UK domestic law by virtue of the EUWA and as amended (the **UK CRR**); and (h) an FCA investment firm as defined by Article 4(1)(2AB) of the UK CRR. The UK Investor Requirements also apply to investments by certain consolidated affiliates, wherever established or located, of such CRR firms (such affiliates, together with all such institutional investors, **UK Institutional Investors** and, together with EU Institutional Investors, **Institutional Investors**).

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

The UK Investor Requirements provide that, prior to investing in (or otherwise holding an exposure to) a "securitisation position" (as defined in the UK Securitisation Regulation), a UK Institutional Investor, other than the originator, sponsor or original lender (each as defined in the UK Securitisation Regulation) must, among other things:

- (a) verify that, where the originator or original lender is established in a third country (that is, not in the UK), the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness;
- (b) verify that the third country the originator, sponsor or original lender retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5%, determined in accordance with the

applicable risk retention requirements of the UK Securitisation Regulation, and it is disclosed, which will also include in due course, once the UK Securitisation Regulation reforms are implemented, compliance with the recast risk retention provisions;

- (c) verify that the third country originator, sponsor or SSPE has, where applicable, made available information which is substantially the same as that which it would have made available under Article 7 of the UK Securitisation Regulation (which sets out transparency requirements for originators, sponsors and SSPEs) (the **UK Transparency Requirements**) if it had been established in the UK and has done so with such frequency and modalities as are substantially the same as those with which it would have made information available in accordance with that Article if it had been established in the UK. To date, no guidance has been issued on the interpretation of this “substantially the same as” test and what is required to achieve regulatory compliance, although informal statements from the PRA and the FCA and some PRA/FCA commentary in the consultations to the UK Securitisation Regulation reforms indicate that this test should not give rise to mandatory use of the UK reporting templates or strict compliance with the UK Transparency Requirements; and
- (d) carry out a due-diligence assessment in accordance with the UK Securitisation Regulations which enables the UK Institutional Investor to assess the risks involved, considering at least (i) the risk characteristics of the securitisation position and the underlying exposures, and (ii) all the structural features of the securitisation that can materially impact the performance of the securitisation position.

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

Prospective investors that are UK Institutional Investors should note the differences in the wording of the EU Investor Requirements and the UK Investor Requirements as each relates to the verification of certain transparency requirements.

If any UK Institutional Investor fails to comply with the UK Investor Requirements with respect to an investment in the Offered Notes offered by this Information Memorandum, it may be subject (where applicable) to a penalty regulatory capital charge with respect to any securitisation position acquired by it or on its behalf, and it may be subject to other regulatory sanctions by the competent authority of such UK Institutional Investor or may be required to take corrective action. The UK Securitisation Regulations and any other changes to the regulation or regulatory treatment of the Offered Notes for some or all investors

may negatively impact the regulatory position of a UK Institutional Investor and have an adverse impact on the value and liquidity of the Offered Notes offered by this Information Memorandum. Prospective investors should analyse their own regulatory position and should consult with their own investment and legal advisors regarding application of, and compliance with, the UK Securitisation Regulations or other applicable regulations and the suitability of the Offered Notes for investment.

Transaction Requirements

The EU Securitisation Regulation imposes certain requirements (the ***EU Transaction Requirements***) with respect to originators, original lenders, sponsors and SSPEs (as each such term is defined for the purposes of the EU Securitisation Regulation).

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

- (a) a requirement under Article 6 of the EU Securitisation Regulation that the originator, the original lender or the sponsor of a securitisation commits to retain, on an ongoing basis, a material net economic interest in the relevant securitisation of not less than 5% in respect of certain specified credit risk tranches or asset exposures (the ***EU Retention Requirement***);
- (b) a requirement under Article 7 of the EU Securitisation Regulation that the originator, sponsor and SSPE of a securitisation make available to holders of a securitisation position, relevant competent authorities and (upon request) potential investors certain prescribed information (the ***EU Transparency Requirements***) prior to pricing as well as in quarterly portfolio level disclosure reports and quarterly investor reports; and
- (c) a requirement under Article 9 of the EU Securitisation Regulation that originators, sponsors and original lenders of a securitisation apply to exposures to be securitised the same sound and well-defined criteria for credit-granting which they apply to non-securitised exposures, and have effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting its obligations under the credit agreement (the ***EU Credit-Granting Requirements***).

The EU Securitisation Regulation provides for certain aspects of the EU Transaction Requirements to be further specified in regulatory technical standards and implementing technical standards to be adopted by the European Commission as delegated regulations.

In respect of Article 6 of the EU Securitisation Regulation, the recast regulatory technical standards were finalised as Commission Delegated Regulation (EU) 2023/2175 (the ***EU Recast Risk Retention RTS***) which applies to all existing and new securitisations in-scope of the EU Securitisation Regulation. Therefore, from 7 November 2023, the transitional provisions of Article 43(7) of the EU Securitisation Regulation fall away and, under Article 20 of the EU Recast Risk Retention RTS, the application on the transitional basis of the pre-2019 risk retention technical standards set out in Commission Delegated Regulation (EU)

No. 625/2014 is repealed. In respect of Article 7 of the EU Securitisation Regulation, the relevant technical standards are comprised in Commission Delegated Regulation (EU) 2020/1224 and Commission Implementing Regulation (EU) 2020/1225 (together, the **EU Disclosure Technical Standards**). The EU Disclosure Technical Standards make provision as to (amongst other things) the data to be made available, and the format in which information must be presented, for purposes of satisfying the EU Transparency Requirements. However, there still remains some uncertainty at the current time as to, amongst other things, how some of the fields in the reporting templates prescribed by the EU Disclosure Technical Standards should be completed.

On 10 October 2022, the European Commission published its report to the European Parliament and the Council on the Functioning of the Securitisation Regulation (COM(2022) 517) (the **Report**) in which it expressed its views on the jurisdictional scope of application of the EU Investor Requirements and EU Transparency Requirements in the context of a non-EU securitisation for the purposes of the EU Transaction Requirements. In particular, the Report provides guidance on the interpretation of Article 5(1)(e) of the EU Investor Requirements (which requires that EU Institutional Investors verify, prior to holding a securitisation position, that the originator, sponsor or SSPE has, where applicable, made available the information described above) in respect of scenarios where none of the originator, sponsor or SSPE are located in the EU. In the Report the European Commission considers that differentiating the scope of information provided under the EU Investor Requirements based on whether a securitisation is issued by originators, original lenders, sponsors and SSPEs supervised or established in the EU, or entities based in third countries, is not in line with the legislative intent and, as such, that the jurisdiction of the originator, sponsor or SSPE should not affect the interpretation of Article 5(1)(e) of the EU Investor Requirements. In addition, the European Commission invited the European Securities and Markets Authority (**ESMA**) to draw up a dedicated template for private securitisations, with a view (amongst other things) to make it easier for third country parties to provide the required information for the purposes of the EU Investor Requirements. In December 2023, ESMA published a consultation on the possible options for introducing reforms to the reporting requirements, one of which options proposes the introduction of a simplified private securitisation reporting regime aimed at the supervisors' needs only which, if implemented, would significantly reduce the burden of EU regulatory reporting on non-EU securitisations. The ESMA consultation closed on 15 March 2024 and it is expected that before the end of 2024 the ESMA will report on the outcome of its consultation, including whether it is putting forward for consultation any legislative proposals for introducing the simplified private securitisation reporting regime.

The EU Securitisation Regulations provide that an entity shall not be considered an "originator" (as defined for purposes of the EU Securitisation Regulation) if it has been established or operates for the sole purpose of securitising exposures. See section 3 of this Information Memorandum for information regarding Bluestone and its business and activities.

The UK Securitisation Regulation imposes certain requirements (the **UK Transaction Requirements**, and together with the EU Transaction Requirements, the **Transaction Requirements**) with respect to originators, original lenders, sponsors and SSPEs (as each such term is defined for the purposes of the UK Securitisation Regulation).

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

- (a) a requirement under Article 6 of the UK Securitisation Regulation that the originator, the original lender or the sponsor of a securitisation commits to retain, on an ongoing basis, a material net economic interest in the relevant securitisation of not less than 5% in respect of certain specified credit risk tranches or asset exposures (the **UK Retention Requirement**);
- (b) a requirement under Article 7 of the UK Securitisation Regulation that the originator, sponsor and SSPE of a securitisation make available to holders of a securitisation position, the competent authority and (upon request) potential investors certain prescribed information prior to pricing as well as in quarterly portfolio level disclosure reports and quarterly investor reports; and
- (c) a requirement under Article 9 of the UK Securitisation Regulation that originators, sponsors and original lenders of a securitisation apply to exposures to be securitised the same sound and well-defined criteria for credit-granting which they apply to non-securitised exposures, and have effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting its obligations under the credit agreement (the **UK Credit-Granting Requirements**).

The UK Securitisation Regulation provides for certain aspects of the UK Transaction Requirements to be further specified in technical standards to be adopted by the PRA and/or the FCA. In respect of Article 6 of the UK Securitisation Regulation, certain aspects of the UK Retention Requirement are to be further specified in technical standards to be made by the FCA and the PRA, acting jointly. Pursuant to Article 43(7) of the UK Securitisation Regulation, until these technical standards apply, certain provisions of Commission Delegated Regulation (EU) No. 625/2014, as they form part of the UK domestic law pursuant to the EUWA, shall continue to apply. In respect of Article 7 of the UK Securitisation Regulation, the EU Disclosure Technical Standards, as they form part of UK domestic law pursuant to the EUWA and as amended by the Technical Standards (Specifying the Information and the Details of the Securitisation to be made Available by the Seller, Sponsor and SSPE) (EU Exit) Instrument 2020 (the **UK Disclosure Technical Standards**), apply, subject to certain transitional provisions. However, there still remains some uncertainty at the current time as to, amongst other things, how some of the fields in the reporting templates prescribed by such technical standards should be completed.

The UK Securitisation Regulations provide that an entity shall not be considered an "originator" (as defined for purposes of the UK Securitisation Regulation) if it has been established or operates for the sole purpose of securitising exposures. See section 3 of this Information Memorandum for information regarding Bluestone and its business and activities.

EU Securitisation Regulation and UK Securitisation Regulation

The EU Securitisation Regulation is silent as to the jurisdictional scope of the EU Retention Requirement and consequently, whether, for example, it imposes a direct obligation upon non-EU established entities, such as Bluestone. However

(i) the explanatory memorandum to the original European Commission proposal for legislation that was ultimately enacted as the EU Securitisation Regulation stated that “The current proposal thus imposes a direct risk retention requirement and a reporting obligation on the originator, sponsor or the original lenders...For securitisations notably in situations where the originator, sponsor nor original lender is not established in the European Union the indirect approach will continue to fully apply.”; and (ii) the EBA, in a paper published on 31 July 2018 (the **2018 Draft RTS**) in relation to the draft regulatory technical standards then proposed to be made pursuant to Article 6 of the EU Securitisation Regulation, said: “The EBA agrees however that a ‘direct’ obligation should apply only to originators, sponsors and original lenders established in the European Union as suggested by the European Commission in the explanatory memorandum”. The EBA’s interpretation (the **EBA Guidance Interpretation**) is non-binding and not legally enforceable.

In its Report, the European Commission stated that compliance with the EU Retention Requirement was met effectively through the EU Institutional Investor’s due diligence obligations imposed by Article 5 of the EU Securitisation Regulation. In accordance with those obligations, EU Institutional Investors must verify that the sell-side parties of the transaction, irrespective of their location, comply with the respective obligations under the EU Securitisation Regulation before investing in the securitisation.

The UK Securitisation Regulation is also silent as to the jurisdictional scope of the UK Retention Requirement and consequently, whether, for example, it imposes a direct obligation upon non-UK established entities such as Bluestone. The wording of the UK Securitisation Regulation with regard to the UK Retention Requirement is similar to that in the EU Securitisation Regulation with regard to the EU Retention Requirement, and the EBA Guidance Interpretation may be indicative of the position likely to be taken by the UK regulators in the future in this respect. However, the EBA Guidance Interpretation is non-binding and not legally enforceable, and the FCA and the PRA have not, at the date of this Information Memorandum, published or released any guidance or interpretation as to the jurisdictional scope of the direct risk retention obligation provided under the UK Securitisation Regulation.

Risk retention

As noted above, the EU Risk Retention Requirements and the UK Risk Retention Requirements will apply under the EU Investor Requirements and the UK Investor Requirements, respectively. Accordingly, on the Note Issue Date and thereafter for so long as any Offered Notes remain outstanding, Bluestone will, as an originator for the purposes of the EU Securitisation Regulation and the UK Securitisation Regulation, retain on an ongoing basis a material net economic interest of not less than 5% in the securitisation in accordance with the text of Article 6(1) of the EU Securitisation Regulation (which does not take into account any relevant national measures) and Article 6(1) of the UK Securitisation Regulation. As at the Note Issue Date, such interest will be comprised of Bluestone holding 100% of the shares in each Retention Vehicle which will, alone or together with Bluestone, hold an interest of not less than 5% of each of the tranches sold or transferred to investors as provided for in option (a) of Article 6(3) of the EU Securitisation Regulation and Article 6(3) of the UK Securitisation Regulation. Following the Note Issue Date, the manner in which such interest is held will be confirmed to the Noteholders on a monthly basis through the monthly

noteholder reports to be prepared by the Trust Manager, or a person nominated by the Trust Manager.

Bluestone will undertake to the Trustee and each Dealer in the EU Securitisation Regulation and UK Securitisation Regulation Undertaking in respect of the Trust dated on or around the Closing Date (the **Securitisation Regulation Undertaking**):

- (a) to retain, as an originator for the purposes of the EU Securitisation Regulation and the UK Securitisation Regulation, on an ongoing basis, a material net economic interest of not less than 5% in the Bluestone Prime 2024-1 Trust securitisation transaction in accordance with the text of Article 6(1) of the EU Securitisation Regulation and Article 6(1) of the UK Securitisation Regulation (the **Retention**) (but solely as such articles are interpreted and applied on the Note Issue Date);
- (b) that, as at the Note Issue Date, the Retention will be comprised of an interest in each tranche sold or transferred to investors in accordance with Article 6(3)(a) of the EU Securitisation Regulation and Article 6(3)(a) of the UK Securitisation Regulation (but solely as such articles are interpreted and applied on the Note Issue Date);
- (c) not to change the manner or form in which it retains the Retention, except as permitted under the EU Securitisation Regulation and the UK Securitisation Regulation (but solely as such articles are interpreted and applied on the Note Issue Date);
- (d) not to dispose of, assign, transfer or create or cause to exist any lien over, and not to otherwise surrender, all or part of the rights, benefits or obligations arising from its interest in the Retention Vehicles, except as permitted by the EU Securitisation Regulation and the UK Securitisation Regulation (but solely as such articles are interpreted and applied on the Note Issue Date);
- (e) not to utilise or enter into credit risk mitigation techniques, any short positions or any other hedge against the credit risk of its interest in the Retention Vehicles or Retention, except as permitted under the EU Securitisation Regulation and the UK Securitisation Regulation (but solely as such articles are interpreted and applied on the Note Issue Date); and
- (f) that the status of its compliance of the Retention will be confirmed on a monthly basis through the monthly noteholder reports.

For the avoidance of doubt, Bluestone will be under no obligation to comply with any amendments to EU or UK technical standards, guidance or policy statements introduced in relation to the EU Risk Retention Requirements or the UK Risk Retention Requirements after the Note Issue Date.

Each Retention Vehicle will undertake to the Trustee and each Dealer in the Securitisation Regulation Undertaking:

- (a) that it will continue to hold, on an ongoing basis, the Retention unless otherwise instructed by Bluestone in accordance with the EU Securitisation Regulation and the UK Securitisation Regulation (but

solely as such articles are interpreted and applied on the Note Issue Date);

- (b) not to take any action which would reduce Bluestone's exposure to the economic risk of the Retention in such a way that Bluestone would cease to hold the Retention, including (without limitation) not to sell, transfer or otherwise surrender all or part of the rights, benefits or obligations arising from the Retention, and not to utilise or enter into any credit risk mitigation techniques, any short positions or any other hedge against the credit risk of the Retention, except as permitted by the EU Securitisation Regulation and the UK Securitisation Regulation (but solely as such articles are interpreted and applied on the Note Issue Date);
- (c) not to issue any further shares in addition to those that are on issue to Bluestone as at the Note Issue Date; and
- (d) to immediately notify Bluestone if it fails to comply with any of its obligations under paragraphs (a) to (c) above. To the extent that no notice is provided to Bluestone in accordance with this sub-paragraph, Bluestone shall be entitled to assume (without further enquiry) compliance by each Retention Vehicle with sub-paragraphs (a) to (c) above and include a statement to that effect in each monthly report provided to noteholders.

In addition, the Retention Vehicles may obtain debt financing to finance the holding of the Notes comprising the Retention (the **Retention Notes**) with one or more lenders. If any Retention Vehicle obtains any such financing, it will grant a security interest over the Retention Notes it holds and Bluestone will provide a full recourse guarantee in respect of the Retention Vehicles' obligations under the debt financing arrangements supported by a security interest over its interests in the Retention Vehicles to secure such debt financing. The grant of the security interests would result in the lender (or other financing counterparty) having enforcement rights in the case of an event of default under the financing, which may include the right to appropriate or sell the Retention Notes or Bluestone's interest in the Retention Vehicles (as applicable). In carrying out any such enforcement action, the financing counterparty would not be required to have regard to the provisions of the EU Securitisation Regulation and the UK Securitisation Regulation, and any such enforcement could result in an EU Institutional Investor or UK Institutional Investor being unable to comply with the EU Investor Requirements or the UK Investor Requirements (as applicable).

Other requirements

Bluestone will also give various representations, warranties and undertakings for the purposes of the EU Securitisation Regulation and the UK Securitisation Regulation as follows:

- (a) For the purpose of Article 4 of the EU Securitisation Regulation and Article 4 of the UK Securitisation Regulation, Bluestone will represent and warrant that the Trustee, being the SSPE (as defined in the EU Securitisation Regulation and the UK Securitisation Regulation), is established in Australia, which is a country that:

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- (i) for the purposes of the UK Securitisation Regulation only, is not listed as a high-risk and non-cooperative jurisdiction by the Financial Action Task Force; and
 - (ii) for the purposes of the EU Securitisation Regulation only:
 - A. is not listed as a high-risk country having strategic deficiencies in its regime on anti-money laundering and counter terrorist financing;
 - B. is not listed in Annex 1 of the EU list of non-cooperative jurisdictions for tax purposes;
 - (iii) has signed an agreement with a member state of the European Union or the United Kingdom that fully complies with the standards provided for in Article 26 of the Organisation for Economic Cooperation and Development (OECD) Model Tax Convention on Income and on Capital.
- (b) For the purposes of Article 5(1)(b) of the EU Securitisation Regulation and Article 5(1)(b) of the UK Securitisation Regulation, Bluestone will represent and warrant that, as an originator established in a third country (that is not within the EU or EEA and is not within the United Kingdom), it has granted all the credits giving rise to the underlying exposures to be acquired by the Trustee on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness.
- (c) For the purposes of Article 5(3) of the EU Securitisation Regulation and Article 5(3) of the UK Securitisation Regulation, Bluestone, as originator, will undertake to use reasonable endeavours to make available to potential investors (in the manner described in paragraph (g) below) such information as is reasonably required by a potential investor to enable it to comply with Article 5(3) of the EU Securitisation Regulation and Article 5(3) of the UK Securitisation Regulation.
- (d) For the purposes of Article 5(4) of the EU Securitisation Regulation and Article 5(4) of the UK Securitisation Regulation, Bluestone, as originator, has undertaken to make available to Noteholders (in the manner described in paragraph (g) below) quarterly noteholder reports, containing such information as is reasonably required by a Noteholder for it to determine the percentage of loans more than 30, 60 and 90 days past due, default rates, prepayment rates, loans in foreclosure, recovery rates, repurchases, loan modifications, payment holidays, collateral type and occupancy, and frequency distribution of credit scores or other measures of credit worthiness across underlying exposures, industry and geographical diversification and frequency distribution of loan to value ratios with band widths that facilitate adequate sensitivity analysis. The material referred to in this paragraph shall be made available each quarter and, at the latest, one month after the last due date for payment of interest in that quarter; but

only to the extent that (i) such information is in the possession or control of Bluestone and (ii) Bluestone can provide such information without breaching applicable confidentiality laws or contractual obligations binding on it; and provided that Bluestone will not be in breach of this covenant if it fails to comply due to events, actions or circumstances beyond its control.

- (e) For the purposes of Article 6(2) of the EU Securitisation Regulation and Article 6(2) of the UK Securitisation Regulation, Bluestone will represent and warrant that, as the originator, it has not selected assets to be acquired by the Trustee with the aim of rendering losses on the assets transferred to the Trustee, measured over the life of the transaction, or over a maximum of 4 years where the life of the transaction is longer than four years, higher than the losses over the same period on comparable assets held on the balance sheet of Bluestone.
- (f) For the purposes of Article 7(1) of the EU Securitisation Regulation and Article 7(1) of the UK Securitisation Regulation, Bluestone, as originator, will undertake to make available (in the manner described in paragraph (g) below) to Noteholders, to the competent authorities referred to in Article 29 of the EU Securitisation Regulation and Article 29 of the UK Securitisation Regulation and, upon request, to potential investors:
 - (i) for the purposes of Article 7(1)(a) of the EU Securitisation Regulation and the UK Securitisation Regulation, quarterly loan level data in relation to the pool of loans held by the Trustee as required by Article 7(1)(a) of the EU Securitisation Regulation and Article 7(1)(a) of the UK Securitisation Regulation. The material referred to in this paragraph shall be made available each quarter and, at the latest, one month after the last due date for payment of interest in that quarter;
 - (ii) all documentation required by Article 7(1)(b) of the EU Securitisation Regulation and the UK Securitisation Regulation, including but not limited to the Transaction Documents and this Information Memorandum. The material referred to in this paragraph shall be made available before pricing of the Notes;
 - (iii) for the purposes of Article 7(1)(e) of the EU Securitisation Regulation and the UK Securitisation Regulation, quarterly noteholder reports as required by Article 7(1)(e), containing the following information:
 - A. all materially relevant data on the credit quality and performance of underlying exposures;
 - B. information on events which trigger changes in the priority of payments or the replacement of any counterparties, and data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation; and

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

The material referred to in this paragraph shall be made available each quarter and, at the latest, one month after the last due date for payment of interest in that quarter;

- (iv) for the purposes of Article 7(1)(g) of the EU Securitisation Regulation and Article 7(1)(g) of the UK Securitisation Regulation information as to any significant event such as:

- A. a material breach of the obligations provided for in the Transaction Documents, including any remedy, waiver or consent subsequently provided in relation to such a breach;
- B. a change in the structural features that can materially impact the performance of the securitisation;
- C. a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation; and
- D. any material amendment to Transaction Documents.

The material referred to in this paragraph shall be made available without delay.

- (e) For the purposes of Article 7(2) of the EU Securitisation Regulation and Article 7(2) of the UK Securitisation Regulation, Bluestone as the originator is designated as the entity required to provide the information referred to in Article 7(1) of the EU Securitisation Regulation and Article 7(1) of the UK Securitisation Regulation, and such information shall be made available by posting it to the following website: <https://portal.bluestone.com.au/Login>. Please contact trust.management@bluestone.com.au for access.
- (g) For the purposes of Article 9(1) of the EU Securitisation Regulation and Article 9(1) of the UK Securitisation Regulation, Bluestone as originator will represent, warrant and undertake that:
- (i) it has and will apply to exposures to be acquired by the Trustee, the same sound and well-defined criteria for credit-granting which it has applied to non-securitised exposures;

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- (ii) it will apply the same clearly established processes for approving and, where relevant, amending, renewing and refinancing credits held by the Trustee; and
 - (iii) it has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting his obligations under the credit agreement.

Although Bluestone has given the above undertakings in respect of the content and form of reporting to be provided to investors, prospective investors and Noteholders should be aware that, if any quarterly portfolio report or quarterly investor report does not comply with the requirements prescribed in the EU Securitisation Regulation or the UK Disclosure Technical Standards or the UK Securitisation Regulation or the UK Disclosure Technical Standards, an EU Institutional Investor or a UK Institutional Investor may be unable to satisfy the EU Investor Requirements or the UK Investor Requirements (as applicable) in respect of such report.

Investors to seek independent advice

Except as described above, no party to the securitisation transaction described in this Information Memorandum is required, or intends, to take any action with regard to such transaction in a manner prescribed or contemplated by the EU Securitisation Regulation or the UK Securitisation Regulation, or to take any action for purposes of, or in connection with, compliance by any EU Institutional Investor with any applicable EU Investor Requirement or any UK Institutional Investor with any applicable UK Investor Requirements.

Any failure to comply with the EU Securitisation Rules and/or UK Securitisation Regulation may, amongst other things, have a negative impact on the value and liquidity of the Offered Notes, and otherwise affect the secondary market for the Offered Notes. As noted above, if any EU Institutional Investor or the UK Institutional investor elects to acquire or hold the Offered Notes having failed to comply with one or more of the EU Investor Requirements or the UK Investor Requirements, as applicable, this may result in the imposition of a penal capital charge on the Offered Notes for the EU Institutional Investor or the UK Institutional Investor subject to regulatory capital requirements, or a requirement to take corrective action, in the case of certain types of regulated fund investors, and other regulatory sanctions may also apply.

Prospective investors should make their own independent investigation and seek their own independent advice as to (i) the scope and applicability of the EU Securitisation Regulation and/or UK Securitisation Regulation (and any implementing rules in relation to a relevant jurisdiction); (ii) the sufficiency of the information described in this Information Memorandum, and which may otherwise be made available to investors; and (iii) their compliance with any applicable EU Investor Requirements and/or UK Investor Requirements.

None of Bluestone, the Retention Vehicles, the Arranger, the Joint Lead Managers, the Dealers, the Swap Provider, the Liquidity Facility Provider or any other party to the Transaction Documents (i) makes any representation that the performance of the undertakings described above, the making of the representations and warranties described above, and the information described in

this Information Memorandum, or any other information which may be made available to investors, are or will be sufficient for the purposes of any EU Institutional Investor's compliance with any EU Investor Requirement or any UK Institutional Investor's compliance with any UK Investor Requirement, (ii) has any liability to any prospective investor or any other person for any insufficiency of such information or any non-compliance by any such person with the EU Securitisation Regulation, the UK Securitisation Regulation or any other applicable legal, regulatory or other requirements, or (iii) has any obligation to provide any further information or take any other steps that may be required by any EU Institutional Investor or UK Institutional Investor to enable compliance by such person with the requirements of any EU Investor Requirement or any UK Investor Requirement, respectively, or any other applicable legal, regulatory or other requirements.

The Trustee will not have any responsibility to maintain or enforce compliance with the EU Securitisation Regulation and/or the UK Securitisation Regulation.

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

Under the EU Securitisation Regulation, an EU Institutional Investor is required to comply with certain investor due diligence requirements when investing in EU or non-EU securitisations. Article 4 of the EU Securitisation Regulation restricts third country jurisdictions in which SSPEs outside of the EU may be established. Institutional investors in-scope of the EU Securitisation Regulation should be aware that recent amendments to the EU Securitisation Regulation, which were made as part of the "Capital Markets Recovery Package" (the **EU SR Amendments**), amended Article 4 of the EU Securitisation Regulation so as to require that EU Institutional Investors in notes issued by SSPEs established after 9 April 2021 in third countries listed in Annex II of the EU list of jurisdictions operating harmful tax regimes must notify the investment to the competent tax authorities of the Member State in which the investor is resident for tax purposes. Australia was listed in Annex II at that time. However, on 5 October 2021, Australia was removed from Annex II and accordingly EU Institutional Investors in respect of the Notes will not be required to notify their tax authority in respect of such. Each potential investor that is an in-scope EU Institutional Investor should carefully consider the impact of the EU SR Amendments with respect to any investment in the Notes.

3. OVERVIEW OF BLUESTONE GROUP

3.1 General

Bluestone Group is a mortgage origination and asset management business with operations in Australia, New Zealand and Asia.

Founded in 2000, Bluestone Home Loans is a well-diversified originator of residential home loans in Australia and New Zealand. With a team of professionals across Australia, New Zealand and the Philippines and manages approximately A\$12 billion in home loans for Australian and New Zealand customers. Bluestone provides prime and nonconforming home loans that fit a wide range of borrowers.

In March 2018, entities associated with Cerberus Capital Management completed a transaction with Bluestone Group to purchase Bluestone's Asia-Pacific operations. As a result, Bluestone in Australia and New Zealand is no longer related to Bluestone in the UK.

Bluestone is a frequent issuer in the Australian and New Zealand RMBS markets with 41 public securitisation trusts established since 2002, including 23 transactions from 2013 to 2023. The Sapphire and Bluestone Prime securitisation programmes have issued more than A\$13 billion of bonds domestically and offshore. Bluestone is rated as a 'STRONG' servicer for both prime and non-conforming residential mortgages by Standard & Poor's in Australia and New Zealand.

3.2 Business Objectives and Strategies

Bluestone's mortgage origination and servicing objectives are as follows:

- (a) to create a high quality financial institution specialising in intermediating between illiquid retail markets and efficient capital markets;
- (b) to generate high quality portfolios of secured property loans to borrowers who are currently under-served or ignored by traditional sources of residential mortgage finance;
- (c) to provide warehouse funders and noteholders with secure loan obligations;
- (d) to provide a competitive and transparent property loan product offering which is a high quality alternative to mainstream lenders;
- (e) to continually maintain high service levels, and be recognised as such;
- (f) to maintain prudent and consistent underwriting and security practices;
- (g) to develop product offerings designed specifically to be conducive to securitisation; and
- (h) to make efficient use of capital markets to secure long term competitively priced funding.

3.3 **Bluestone Group**

The Bluestone Group currently operates across three jurisdictions:

- (a) origination and servicing in Australia;
- (b) origination in New Zealand; and
- (c) servicing in Manila.

3.4 **Key Management and Non-Executive Individuals**

Martyn McCarthy

Chairman (Non-Executive)

Martyn is currently Managing Partner at Arrow Capital Partners. Most recently, Martyn, was part owner and Executive Chairman of one of Europe's largest privately owned real estate platforms, and prior in Australia public REIT/Wholesale investor group and GE Capital Real Estate where he started as an analyst. He has held various Directorships, worked on large bank workout portfolios, Non-Performing Loan to Own acquisitions, and in other family businesses.

Mark Jones

Chief Executive Officer

Mark joined Bluestone in the role of CEO in August 2023. With an extensive background in the financial services industry, Mark brings a wealth of experience through his distinguished career spanning the Global Banks in Asia, Big 4 and FinTech Lending sectors.

Mark's leadership as the CEO of SocietyOne secured a remarkable seven-fold increase in originations within a four year period, underscoring Mark's ability to drive substantial growth. During his tenure there, he oversaw a comprehensive overhaul of marketing and digital capabilities to deliver improved customer experience and outcomes. He spearheaded the upgrading of credit policies and practices that resulted in best in class credit outcomes and improved margins, launch of the broker channel and transition to warehouse funding that played a pivotal role in transitioning the company to sustained profitability. Mark has a strong understanding of the mortgage market from when he was responsible for Citibank mortgages business in Australia.

Mark's customer-centric focus and track record of driving growth and leveraging technology to improve processes and profitability puts him in a position to shape Bluestone's future and build its position as a leader in the non-bank sector.

Mark holds a Bachelor of Economics from Macquarie University and a Master of Business Administration (MBA) from the esteemed Macquarie Graduate School of Management.

Rory O'Neill

Acting Chief Financial Officer

Rory O'Neill officially joined Bluestone as Acting Chief Financial Officer in December 2023. Rory was previously part of the Cerberus Australia team and had been working with Bluestone since January 2022.

Rory is responsible for all parts of Bluestone's finance team, including Financial Control, Statutory Reporting, Financial Planning & Analysis, Group Tax, and Commercial Management.

Rory has been working in the financial services sector for over 10 years and has held roles in Cerberus, Deloitte and PwC where he gained experience in Mergers and Acquisitions, Management Consulting and accounting.

Rory holds a Bachelor of Law and Business from the University of Limerick and is a member of Chartered Accountants Ireland.

Milos Ilic-Miloradovic

Treasurer

Milos joined Bluestone in February 2022 as the Treasurer and is responsible for the company's public & private funding programmes. Milos brings over 15 years of debt arranging, structuring, advisory and execution experience across multiple products (with a focus on residential mortgage backed securities) across Australia, Europe, Japan and the US.

Most recently, Milos was responsible for the Australian structured credit solutions business at Natixis and has also held roles at Macquarie in both the UK and Australia across securitisation as well as corporate debt structuring and distribution.

Milos holds a Bachelor of Arts & Bachelor of Commerce (Hons Finance) from the University of New South Wales, UNSW.

Martin Barter

Chief Risk Officer

Martin joined Bluestone in January 2024 to lead Bluestone's Legal, Risk and Compliance function including Credit Policy and Collections Strategy.

Martin has held senior roles across the mortgage sector for over 35 years. His previous roles include head of Credit Policy and Analytics, head of mortgages and head of commercial mortgages all at Citibank, CEO of Genworth Financial (Helia) and most recently CRO at Community First bank.

Martin brings a wealth of knowledge of the mortgage market from an acquisition, servicing, monitoring and governance perspective and strengths include strategic and business planning, corporate governance, operational business management, risk management, credit, sales management, product management and data analytics.

Tony MacRae

Chief Commercial Officer

Tony joined Bluestone in August 2023, to lead Bluestone's efforts to ensure our broker partners are best positioned to help more customers.

Tony brings a wealth of experience in financial services, including a decade with Westpac Group as Acting CEO of RAMS and GM Third Party Distribution at Westpac.

Tony has an industry-wide reputation of successful execution of business initiatives driving strategic direction, building partnerships and leading teams to strong business growth.

Tony holds a Bachelor of Economics from Macquarie University.

Jenny Ronald

Chief Product Officer

Jenny Ronald joined Bluestone in November 2023 to lead the Product function that will develop new products and features to facilitate improved originations, manage our pricing strategy to ensure we grow while improving margins, and champion the simplification and digitisation of our end to end processes.

Jenny has 20 years' experience in financial services managing the end-to-end lifecycle of secured and unsecured lending products at Athena Home Loans, CBA, Citibank, Westpac and American Express.

Jenny's recent work with Athena Home Loans was a highlight as she led the Fintech through a significant product scale up. Jenny uplifted the business' product capability, delivered several major product proposition expansions, implemented a robust pricing framework and led the fast-paced delivery of many product features.

Jenny holds a Bachelor of Business and Bachelor of Arts in International Studies from the University of Technology, Sydney.

Helen Attia

Chief People Officer

Helen joined Bluestone in March 2023 to lead the People and Culture function. In this role, Helen leads the people strategy and processes that support Bluestone's strategic objectives, and is focused on creating an environment where our people can be their best.

Helen brings over 20 years of Human Resources experience gained from a variety of local and global organisations. Helen's most recent role was leading the Asia Pacific HR team for Civica, a global software company, and supporting the business through a period of transformation and growth.

Helen holds a Master of Commerce from UNSW and an Applied Science degree from the University of Sydney.

Nicole Avery

Chief Marketing Officer

Nicole Avery joined Bluestone in January 2024 to lead Bluestone's marketing and communications functions. Overseeing both broker and borrower communications, brand, media, research, events, PR and digital experience to deliver growth in originations, improved customer experiences and brand sustainability.

Nicole has over 12 years' marketing, brand and digital experience, across finance, insurance and subscription entertainment. Nicole's most recent role as Chief Marketing Officer for non-bank personal lender SocietyOne.

At SocietyOne Nicole improved brand awareness to over 2x peers and implemented media plans and UX projects which significantly improved conversion rates and acquisition costs.

4. LOANS

4.1 Loan Structure

Bluestone employs a risk adjusted pricing methodology which incorporates many of the rating agencies' approaches to measuring risk in a residential mortgage portfolio. Loan pricing takes into account the size of the loan, the degree of credit impairment of the borrower (if any), the LVR and certain other factors including the degree of income verification and type of security. Consequently, the margin on the loan and the maximum permissible LVR for a given loan are a function of Bluestone's assessment of its risk of default and the potential loss on that loan should default occur.

Bluestone adheres to both the letter and spirit of the Consumer Credit legislation in its origination processes.

4.2 Loan products

Fully verified and alternative documentation loans are currently offered to the residential mortgage market in Australia. All Loans to be acquired by the Trustee are fully verified. Below contains a summary of the key underwriting criteria of Bluestone's fully verified products.

	Prime	SMSF
	Full	Full
Mortgage Conduct	No arrears greater than 14 days, no default fees/overlimit	No arrears greater than 14 days, no default fees/overlimit
Personal Loans	No arrears greater than 14 days, no default fees/overlimit	N/A
Credit Cards	No arrears greater than 14 days, no default fees or overlimit balances	N/A
Defaults/Judgements	Paid up to \$500	Not accepted
Discharge bankrupt	Not accepted	Not accepted
Part IX, X	Not accepted	Not accepted

4.3 Origination

Bluestone sources the vast majority of its business through accredited referrers (including mortgage brokers, finance brokers, accountants and financial planners) and via referrals from existing prime lenders.

Bluestone has developed a diversified network of high quality referrers. These may either be a prime lender (i.e. a bank or non-bank originator), a dealer group or aggregator, or an individual introducer. All referrers are subject to an accreditation process (which focuses on reputation, ethics and integrity) to ensure the maintenance of professional standards and high quality applications.

Referrers are paid commissions based on the value of referrals.

4.4 Eligibility Criteria

Other than as expressly indicated below, the Originators represent to the Trustee that each Loan to be acquired by the Trustee and originated by it satisfies the following criteria (*Eligibility Criteria*).

(a) **Security**

(i) Satisfactory securities

Each Loan must be secured by a fully stamped (if subject to stamp duty), registered first mortgage in the name of Permanent Custodians Limited over an acceptable title of an Australian property, the primary use of which is residential.

(ii) Dwellings

A. Only dwellings of standard construction intended for use wholly or partly as a place of residence or let under a formal tenancy agreement.

B. Titles that are acceptable are Torrens and Strata. Old law titles must have been converted at or prior to settlement.

(iii) Locations

Property securing a Loan must be located in an acceptable lending area as specified in the Agreed Procedures (as defined in the Origination Agreement).

(iv) Valuations

The value of the mortgaged property in connection with each Loan has been determined at origination in accordance with the standards and practices of the Australian Property Institute (**API**) (including those relating to competency and required documentation) by an accredited valuer firm to the Trust Manager's valuers panel, who is engaged by the Trust Manager or the Originator of the Loan. Each relevant valuer of a valuer firm is a member of the API whose compensation is not affected by the approval or disapproval of the housing loan.

The valuation for property securing a Loan must be addressed to the relevant Approved Seller and/or assigns, except for in the case an AVM is used under the Originator's Origination Procedures.

The valuation must otherwise have complied with the Originator's Origination Procedures.

(v) Insurance

At the time of settlement of the Loan the relevant property must have been insured under a General Insurance Policy in the name of the Borrower (or in the case of a strata title, the owners corporation).

(b) **Loans**

(i) Loan Amount

- A. The value of Loans under one credit arrangement at the time of settlement must have been at least \$100,000.
- B. The maximum total borrowing by any applicant is \$5,000,000.

(ii) Loan to Valuation Ratio

- A. The LVR of the Loan at the date of the initial advance was, in the case of Loans originated before 1 January 2009, no more than 95% and otherwise no more than 90%.

(iii) Term

- A. Each Loan must have an initial term of between 10 and 40 years.
- B. "Interest Only Loans" have an interest only term of up to five years from the date of the initial advance and will then revert to fully amortising Loans for the remaining term.
- C. The Loan requires monthly repayments of principal (except for Interest Only Loans and Line of Credit Loans) and interest.
- D. "Line of Credit Loans" have an initial interest only period of either 5 or 15 years from the date of the initial advance and will then revert to fully amortising Loans.

(iv) Currency

Each Loan was advanced in, and is repayable by the relevant Borrower in, Australian dollars.

(v) Interest

- A. If the Loan is a Variable Rate Loan, the interest rate applicable to the Loan must be a variable rate based upon any determinant as may be considered appropriate by the Servicer in its absolute discretion.

-
- B. If the Loan is a Fixed Rate Loan, the fixed interest rate period does not exceed 5 years from the Closing Date.

(c) **Borrowers**

- (i) A Borrower may be a natural person, a body corporate or a trustee of any trust.
- (ii) If the Borrowers for a Loan are natural persons they must have been 18 years of age.

(d) **Credit History**

- (i) A credit report must have been conducted on every Borrower, and each guarantor/director of the Borrower where the Borrower is a body corporate or a corporate trustee.
- (ii) Any defaults, judgements, bankruptcies whether current or past must have been noted.
- (iii) A discharge of bankruptcy certificate was required where applicable, if the credit report does not record the discharge of bankruptcy details.

(e) **Income**

- (i) All Loans are fully verified. Confirmation of the income on the application must have been obtained.
- (ii) All incomes must have been subject to an assessment of serviceability, and the Borrower must have been able to demonstrate a surplus of net income after deductions of all debts not being refinanced (including the proposed Loan repayments).
- (iii) Rental income in respect of the Loan (if any) was assessed at 80% of the rate indicated in the relevant tenancy arrangements, or the Panel Valuer assessed market rent.

(f) **Self-Employed Applicants**

- (i) A Borrower under the Loan was deemed to be self-employed if they are one of the following entities:
- A. sole trader;
- B. member of a partnership;
- C. Borrower holding at least 25% of the issued share capital of a company from which the Borrower receives at least 50% of their income in the form of distributions; or
- D. investor whose primary source of income is through investments and/or rentals.

-
- (ii) If the product selected was of a full verification type, at least one years' taxation returns for both the body corporate (if applicable) and the individual returns for all Borrowers were required. An individual and a commercial credit report was obtained.

(g) **Origination**

- (i) Either:
- A. the Loan was originated in the ordinary course of business by the Originator and settled in the name of the relevant Approved Seller; or
 - B. if the Loan was acquired by the relevant Approved Seller at the direction of the Trust Manager as trust manager of the relevant Seller Trust, the Trust Manager has represented and warranted to the relevant Approved Seller that:
 - 1) due diligence was undertaken by the Originator in respect of the Loan; and
 - 2) the Loan is of a type and on terms that the Originator would have originated in its ordinary course of business.
- (ii) The Loan was originated, and has been serviced in accordance with, and the terms of the Loan and related Mortgage comply with, all applicable laws including the design and distribution obligations imposed by Part 7.8A of the Corporations Act.
- (iii) The relevant Borrower is not an employee or Related Body Corporate of the Trust Manager or the Originator.

(h) **Redraws**

The Loan does not impose an obligation on the relevant Approved Seller to provide any Redraws. Any ability of the relevant Borrower to Redraw is at the absolute discretion of the Trustee, the Originator, the Trust Manager or the Servicer.

(i) **Set Off**

The Borrower has no contractual right of set off under the Loan.

(j) **Costs**

All costs, fees and expenses payable by the relevant Borrower in connection with the making of the Loan have been paid, and are not liable to be refunded to the Borrower under the Loan.

4.5 Underwriting

Bluestone's underwriting process incorporates a number of physical and electronic steps facilitated by a workflow system. The workflow system ensures

there is a thorough and consistent approach to underwriting with clearly defined delegations and authorities. The Bluestone workflow systems were upgraded in July 2021. The current underwriting process is described below.

(a) **Pre Credit checks**

Upon an application being submitted for credit review, a series of pre credit checks are carried out.

Amongst other things, the application form is reviewed for conformity with application requirements, product suitability and compliance with Bluestone lending criteria.

(b) **Application review**

A credit report is obtained and validated, the borrower's identification is checked and matched to the credit report and the product "fit" is validated in detail.

(c) **Underwriting**

Following the receipt of the credit report, and the completion of the application review, the application is passed to an underwriter. At this stage, the following steps take place.

- (i) The loan purpose is assessed/validated.
- (ii) The degree of credit impairment is assessed where applicable.
- (iii) A valuation of the property in accordance with the Bluestone valuation policy (depending on a number of factors, this could be an automated valuation, desktop valuation or full valuation.
- (iv) Loan serviceability is calculated and reviewed – the ability to service the loan must be demonstrated.
- (v) The contract of sale is reviewed, if applicable
- (vi) Security property details are reviewed.

The underwriter will at this stage either decline the loan, conditionally approve the loan (if further information is required), or unconditionally approve the loan.

After unconditional approval, documentation is forwarded for settlement as set out in "Settlements" below.

4.6 Settlements

Once a loan is unconditionally approved by the lending department the file is sent to Bluestone's settlements team. The settlements team checks all information provided with the file on the loan submission sheet (LSS) and then instructs Bluestone's panel solicitor to prepare the documentation and express post to the borrowers.

The settlements team then manages the deal with the help of the panel solicitor until settlement. This includes coordinating with the borrower's solicitors and ensuring all settlement conditions are met (e.g. the property has a current home insurance policy).

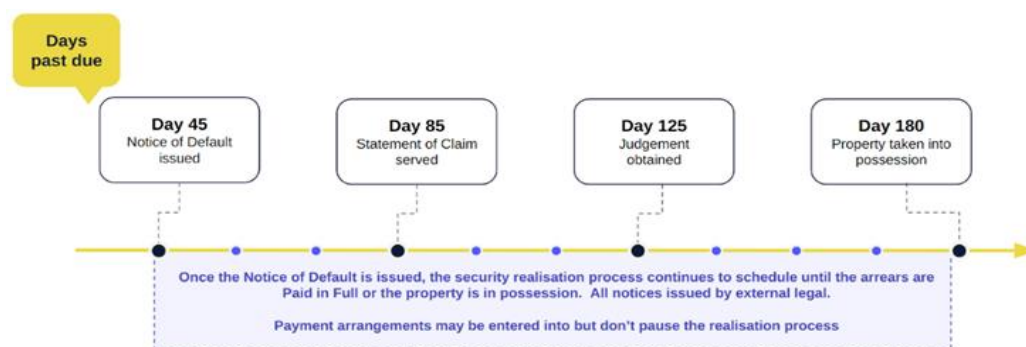
Bluestone's main focus is to ensure that once documents are sent to the borrower they are returned promptly and settlement occurs as quickly as possible.

4.7 Servicing

Under the Servicing Agreement, the Servicer carries out servicing in accordance with the Agreed Procedures. Bluestone has migrated from ARMnet to Mambu. The following functions are performed by the Servicer on behalf of Bluestone:

- (a) entry of loans details into Mambu (previously BOSS), which incorporates data integrity checking;
- (b) daily reporting of settlements, loan status and receivables;
- (c) calculation and charging of borrower fees, interest and repayments;
- (d) maintaining direct debits;
- (e) collection of repayments (excluding arrears – refer separate paragraph);
- (f) issuing statements (monthly or six monthly depending on the origination date of the loan and ad-hoc as requested by the borrower via internet banking);
- (g) monitoring of property insurance;
- (h) handling Borrower enquiries:
- (i) change of address;
- (j) processing of Capitalisation Advances;
- (k) processing and notification of interest rate changes;
- (l) processing of changes to borrower details:
- (m) release of borrower:
- (n) substitution of property; and
- (o) processing of discharges and Fees.

4.8 Arrears and Properties in Possession Process



The Collections and Realisations team is responsible for the ongoing management of arrears and delinquent loans.

Arrears are closely monitored on a daily basis. Initial phone contact is made within 24 hours of the loan first entering into arrears. However, if contact cannot be established by phone, a repayment instruction is raised and communicated to the customer. The goal is to quickly resolve the arrears situation by both parties agreeing to an Arrangement to Pay (*ATP*). If an arrangement cannot be made or the borrower fails to honour an existing *ATP*, a Notice of Default is issued. The loan is also constantly reviewed to evaluate if any hardship assistance can be provided. On the basis that all reasonable avenues of support have been considered, legal action commences. A panel solicitor is instructed to initiate the process of taking possession of the property with the issuance of a Statement of Claim. If the borrower does not lodge a defence, the Servicer will then seek both a Judgement and a Writ of Possession from the Supreme Court. Following court clearance, a Notice to Vacate will then be sent.

Once the Servicer obtains possession of the security property, it will arrange for insurance and order a valuation by a Panel Valuer. A local real estate agent is also selected to manage the sales process. They provide input into both the reserve/list price and the optimal manner in which to carry out the sale (i.e. auction or private treaty). Throughout this stage, the property is kept to a presentable standard. We are on average obtaining sales prices in line with the most recent valuations we have on the possessed properties.

The servicing procedure has been designed to strictly comply with the requirements of all relevant laws and regulations. This includes the Privacy Act and the NCCP Act and the National Credit Code.

For its operations in Australia and New Zealand, the team has been rated as a 'STRONG' residential prime and non-conforming servicer by Standard and Poor's.

4.9 Legal, Risk and Compliance

The Bluestone Group has a dedicated Legal, Risk and Compliance function which is aimed at ensuring compliance with both external laws and regulations (including the relevant consumer credit legislation, Competition and Consumer Act 2010 (Cth), unfair contract terms regime and the Privacy Act) and Bluestone's own policies and procedures.

Assurance reviews are performed by the Legal, Risk and Compliance team with oversight from the Chief Risk Officer where required.

4.10 Reporting

The Trust Manager or a person nominated by the Trust Manager will, on each Payment Date publish on Bluestone's website pool performance data including:

- (a) the Principal Amount, Stated Amount and interest amount for each Note on that Payment Date;
- (b) Bond Factors for each Class of Note on that Payment Date;
- (c) prepayment rates for the Purchased Loans;
- (d) arrears statistics for the Purchased Loans;
- (e) default statistics for the Purchased Loans; and
- (f) monthly pool cuts for the Purchased Loans.

4.11 Stratification Tables

Note: These tables are dated as of 31 March 2024. The Loans to be offered to the Trustee on the Closing Date, and which the Trustee may purchase, will differ to the Loans described in these tables, because of loan amortisation between 31 March 2024 and the Closing Date.

Table 1 - Pool Information Summary	Total
Total Number of Loans	1,486
Total Number of Loans (with splits)	1,696
Total Pool Size	699,999,427
Average Value	471,063
Maximum Loan Balance	2,378,152
Weighted Average Interest Rate	7.40%
Weighted Average Approval LVR	69.32%
Weighted Average Current LVR	66.45%
First Home Buyer	5.81%
Maximum Current LVR	89.91%
Weighted Average Seasoning (Mths)	0
Weighted Average Remaining Loan Term (Years)	0
Maximum Remaining Term (Years)	40

Table 2 - Mortgage Pool by Approval LVR

Approval LVR	Number of Loans	% of Total	Value of Loans	% of Total
0-55%	328	22.07%	116,062,828	16.58%
55-60%	144	9.69%	59,964,970	8.57%
60-65%	112	7.54%	57,633,056	8.23%
65-70%	190	12.79%	86,876,217	12.41%
70-75%	120	8.08%	63,249,812	9.04%
75-80%	397	26.72%	204,499,234	29.21%
80-85%	146	9.83%	80,506,230	11.50%
85-90%	49	3.30%	31,207,078	4.46%
90-95%	0	0.00%	0	0.00%
95%+	0	0.00%	0	0.00%
Total	1486	100%	699,999,427	100%

Table 3 - Mortgage Pool by Current LVR

Current LVR	Number of Loans	% of Total	Value of Loans	% of Total
0-55%	420	28.26%	148,983,443	21.3%
55-60%	141	9.49%	61,895,933	8.84%
60-65%	132	8.88%	68,149,797	9.74%
65-70%	179	12.05%	86,711,526	12.39%
70-75%	154	10.36%	81,639,464	11.66%
75-80%	281	18.91%	149,168,585	21.31%
80-85%	134	9.02%	75,460,560	10.78%
85-90%	45	3.03%	27,990,119	4.00%
90-95%	0	0.00%	0	0.00%
95%+	0	0.00%	0	0.00%
Total	1486	100%	699,999,427	100%

Table 4 - Mortgage Pool by Loan Size Distribution

Current Balance Ranges	Number of Loans	% of Total	Value of Loans	% of Total
\$0 - \$100k	0	0.00%	0	0.00%
\$100 - \$150k	40	2.69%	5,326,208	0.76%
\$150 - \$200k	75	5.05%	13,288,184	1.90%
\$200 - \$250k	85	5.72%	19,126,801	2.73%
\$250 - \$300k	154	10.36%	42,616,265	6.09%
\$300 - \$400k	318	21.40%	112,859,369	16.12%
\$400 - \$500k	283	19.04%	126,246,915	18.04%
\$500 - \$750k	382	25.71%	228,407,340	32.63%
\$750 - \$1,000k	85	5.72%	72,573,860	10.37%
\$1,000 - \$1,250k	42	2.83%	46,327,408	6.62%
\$1,250 - \$1,500k	15	1.01%	20,459,903	2.92%
\$1,500 - \$2,000k	5	0.34%	8,085,345	1.16%
\$2,000k +	2	0.13%	4,681,829	0.67%
Total	1486	100%	699,999,427	100%

Table 5 - Mortgage Pool by Seasoning Distribution

Loan Seasoning	Number of Loans	% of Total	Value of Loans	% of Total
0-3 months	199	13.39%	96,727,022	13.82%
3-6 months	246	16.55%	101,611,493	14.52%
6-12 months	216	14.54%	95,791,711	13.68%
12-18 months	137	9.22%	68,245,799	9.75%
18-24 months	274	18.44%	147,852,624	21.12%
24-36 months	189	12.72%	96,784,339	13.83%
36+ months	225	15.14%	92,986,439	13.28%
Total	1486	100%	699,999,427	100%

Table 6 - Mortgage Pool by Original Loan Term Distribution

Original Loan Term	Number of Loans	% of Total	Value of Loans	% of Total
0-5 years	0	0.00%	0	0.00%
5-10 years	0	0.00%	0	0.00%
10-15 years	13	0.87%	2,522,862	0.36%
15-20 years	36	2.42%	12,592,633	1.80%
20-25 years	82	5.52%	32,319,398	4.62%
25-30 years	1351	90.92%	649,945,683	92.85%
30-40 years	4	0.27%	2,618,850	0.37%
Total	7430	80%	699,999,427	100%

Table 7 - Mortgage Pool by Geographical Distribution

State	Number of Loans	% of Total	Value of Loans	% of Total
Australian Capital Territory	25	1.68%	12,515,511	1.79%
New South Wales	357	24.02%	202,180,885	28.88%
Northern Territory	3	0.20%	923,851	0.13%
Queensland	438	29.48%	187,676,250	26.81%
South Australia	61	4.10%	21,968,256	3.14%
Tasmania	13	0.87%	4,639,519	0.66%
Victoria	447	30.08%	214,055,933	30.58%
Western Australia	142	9.56%	56,039,222	8.01%
Total	1486	100%	699,999,427	100%

Table 8 - Mortgage Pool by Loan Type

Occupancy	Number of Loans	% of Total	Value of Loans	% of Total
Owner Occupied	816	54.91%	402,603,673	57.51%
Investment	670	45.09%	297,395,754	42.49%
Total	1486	100%	699,999,427	100%

Table 9 - Mortgage Pool by Original Repayment Method

Repayment Method	Number of Loans	% of Total	Value of Loans	% of Total
Principal & Interest	1343	90.38%	626,225,176	89.46%
Interest Only	143	9.62%	73,774,251	10.54%
Total	1486	100%	699,999,427	100%

Table 10 - Mortgage Pool by Loan Purpose

Loan Purpose	Number of Loans	% of Total	Value of Loans	% of Total
Purchase	691	46.50%	321,900,227	45.99%
Refinance	795	53.50%	378,099,200	54.01%
Total	1486	100%	699,999,427	100%

Table 11 - Mortgage Pool by Arrears

Arrears	Number of Loans	% of Total	Value of Loans	% of Total
Current	1478	99.46%	695,619,658	99.37%
1-30 days Past Due	8	0.54%	4,379,769	0.63%
31-60 days Past Due	0	0.00%	0	0.00%
61-90 days Past Due	0	0.00%	0	0.00%
90+ days Past Due	0	0.00%	0	0.00%
Total	1486	100%	699,999,427	100%

Table 12 - Mortgage Pool by Income Verification

Income Verification	Number of Loans	% of Total	Value of Loans	% of Total
Fully Verified	1486	100.00%	699,999,427	100.00%
Alt Doc	0	0.00%	0	0.00%
Total	1486	100%	699,999,427	100%

Table 13 - Mortgage Pool by Property Type

Property Type	Number of Loans	% of Total	Value of Loans	% of Total
Detached House	1106	74.43%	549,140,331	78.45%
Townhouse	83	5.59%	34,095,329	4.87%
Other	0	0.00%	0	0.00%
Duplex	16	1.08%	8,414,499	1.20%
Unit	281	18.91%	108,349,268	15.48%
Apartment	0	0.00%	0	0.00%
Total	1486	100%	699,999,427	100%

Table 14 - Mortgage Pool by Locality

Locality	Number of Loans	% of Total	Value of Loans	% of Total
Metro	1228	82.64%	601,410,974	85.92%
Non Metro	250	16.82%	95,662,265	13.67%
Inner City	8	0.54%	2,926,188	0.42%
Total	1486	100%	699,999,427	100%

Table 15 - Mortgage Pool by Employment Type

Employment Type	Number of Loans	% of Total	Value of Loans	% of Total
Self Employed	275	16.21%	126,951,596	18.14%
PAYE	1421	83.79%	573,047,831	81.86%
Total	1486	100%	699,999,427	100%

Table 16 - Mortgage Pool by Interest Rate Type

Repayment Method	Number of Loans	% of Total	Value of Loans	% of Total
Variable	1460	98.25%	686,875,504	98.13%
Fixed	26	1.75%	13,123,923	1.87%
Total	1486	100%	699,999,427	100%

Table 17 - Mortgage Pool by Remapped Product

Product	Number of Loans	% of Total	Value of Loans	% of Total
PRIME	1169	78.67%	586,106,443	83.73%
SMSF	317	21.33%	113,892,984	16.27%
NEAR PRIME	0	0.00%	0	0.00%
SPECIALIST	0	0.00%	0	0.00%
SPECIALIST+	0	0.00%	0	0.00%
Total	1486	100%	699,999,427	100%

4.12 Fixed Rate Loans

Certain Purchased Loans which are sold to the Trustee on the Closing Date will be subject to a fixed rate of interest, and will have the benefit of the Swap Agreement. However, the Trust Manager may only consent to a Purchased Loan subsequently becoming subject (in whole or part) to a fixed rate of interest after the Closing Date if prior to the conversion that Purchased Loan ceases to be an Asset of the Trust. For this purpose, the Trust Manager may direct the Trustee to, and on that direction the Trustee must, sell or otherwise dispose of that Purchased Loan for a purchase price not less than the Loan Amount as at the date of such disposal.

5. RISK FACTORS

This section 5 outlines some potential issues which may impact upon the ability of the Trustee to pay Interest and repay Principal Payments when due in respect of Notes.

As an outline, this discussion is not intended to be an exhaustive analysis of credit issues, risk factors or other special considerations in respect of any Notes. Prospective subscribers for Offered Notes should make their own independent evaluations and obtain independent advice as to whether to subscribe for Offered Notes.

This section 5 should also be read in conjunction with the other sections of this Information Memorandum and the Transaction Documents.

5.1 Warranties

The Trustee has not undertaken and will not undertake any investigations, searches or other actions in respect of the Purchased Loans and their related Mortgages, and will rely instead on the warranties and undertakings given by Bluestone under the Series Notice. If a representation by Bluestone as to a Purchased Loan is incorrect (other than where such breach was disclosed to and accepted by the Trustee prior to sale) occasioning loss, the Trustee's primary remedy is to require Bluestone to procure the repurchase, or Bluestone itself to purchase, that Purchased Loan. This shall not limit any other remedies available to the Trustee under the relevant Purchased Loan if Bluestone fails to purchase or to procure the purchase of a Loan when obliged to do so, including damages. There can be no assurance that Bluestone will have the financial resources to honour its obligation to repurchase any Purchased Loan in respect of which such a breach of warranty arises, or to pay such damages.

5.2 Limited recourse

The Notes are debt obligations of the Trustee as trustee of the Trust. They are issued with the benefit of, and subject to the Master Trust Deed, the Series Notice and the Security Trust Deed. The Trustee's liability in respect of the Notes is limited to the Assets of the Trust available in accordance with the terms of the Master Trust Deed, the Series Notice and the Security Trust Deed to meet its obligations in relation to the Notes and, except in certain limited circumstances, the Trustee will not be personally liable in respect of the Notes (see section 8.7(h)).

The terms of the Security Trust Deed provide that, upon enforcement of the security under the Security Trust Deed, certain payments (including certain fees and expenses of any Receiver) will be made in priority to payments in respect of Interest on and principal of the Notes.

If, upon default by Borrowers under the Purchased Loans and the exercise by the Servicer of all available remedies in respect of the Purchased Loans, the Trustee does not receive full amount due by those Borrowers, then Noteholders may receive by way of principal repayments less than the Principal Amount of their Notes and the Trustee may be unable to pay in full Interest due on the Notes.

A consequence of the priority of payments on the Notes set out in section 6 is that one or more classes of Noteholders may not receive their full entitlement to

Interest on their Notes on any Payment Date, on their Maturity Date or on the enforcement of the charge under the Security Trust Deed.

The analysis by each of the Designated Rating Agencies of the credit and liquidity support available to the Trustee includes an assessment of the credit and liquidity risk inherent in the transaction. The credit enhancement levels have been sized after analysing the impact which severe stress scenarios would have on the security for the Notes. Each Designated Rating Agency estimates the largest amount of potential losses which could occur as a result of these stress scenarios. This estimate of potential losses is the amount of loss protection required. All types of loans are thus eligible for inclusion in a pool, provided that their credit risk can be quantified and adequate loss protection is supplied. None of the Trustee, the Trust Manager or any other entity makes any representation that the actual credit losses will not exceed the estimate by each Designated Rating Agency referred to above.

5.3 Limited Liquidity

The ability of the Trustee to redeem all of the Notes in full, including while any Event of Default in relation to the Notes is subsisting (see section 8.3) while any of the Purchased Loans is still outstanding may depend upon whether the Purchased Loans can be realised to obtain an amount sufficient to redeem the Notes. There is not, at present, an active and liquid secondary market for mortgages of this type in Australia. The Trustee may not, therefore, be able to sell Loans on appropriate terms should it be required to do so.

5.4 Administration

The administration functions related to Purchased Loans and related Mortgages and associated cash management are divided between the Servicer and Bluestone Management Pty Limited (as Trust Manager). The Servicer is responsible for administering the Purchased Loans and related Mortgages in accordance with the Agreed Procedures (specifically the service specifications which form part of the Agreed Procedures). The responsibilities of the Trust Manager include exercising discretions contemplated in the day to day administration of the Purchased Loans and related Mortgages and giving instructions accordingly to the Servicer and managing the cashflows arising from the assets. To discharge its duties and responsibilities, the Trust Manager is dependent on the Servicer providing certain information which it is obliged to do in accordance with the terms of its appointment.

5.5 Credit quality of Loans

The Trustee's obligation to pay Interest and to repay principal in respect of the Notes is limited, subject to the Transaction Documents, to receipts from:

- (a) the Purchased Loans (e.g., from regular payment of instalments, from prepayments and from enforcement of defaulted Loans);
- (b) each Support Facility; and
- (c) the payment of damages by an Approved Seller, Bluestone (in any capacity), the Trust Manager or the Servicer for breaches of specified obligations in the Transaction Documents.

Accordingly, the performance of the Purchased Loans, and the performance of relevant counterparties under each General Insurance Policy and each Support Facility, will have a key impact on such payments in terms of both the timeliness of payments to Noteholders and the amount of such payments.

There are numerous factors which could affect the performance of the Purchased Loans, including economic, social, legal and other matters. Prospective subscribers should make their own assessment of the likely performance of the Purchased Loans and related Mortgages having regard to the information in this Information Memorandum.

5.6 Term risks

Whilst the Trustee is obliged to repay all Notes in full by the Maturity Date, principal will be passed through to Noteholders on each Payment Date from Principal Collections as set out in section 6.12 (subject to section 6.14).

There is no guarantee as to the rate at which principal will be passed through to Noteholders. Accordingly, the actual date by which Notes are fully repaid cannot be precisely determined.

The rate at which the Purchased Loans may repay or prepay principal is influenced by a range of factors including:

- (a) the level of interest rates applicable to the Purchased Loans relative to prevailing mortgage interest rates in the market;
- (b) the default rate of Borrowers under the Purchased Loans;
- (c) demographic and social factors such as unemployment, death, divorce and changes in employment of Borrowers;
- (d) the level of a Borrower's net equity in the Mortgaged Property;
- (e) the rate at which Borrowers change their Mortgaged Properties; and
- (f) the degree of seasoning of the Purchased Loans.

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

- (a) repurchase of Loans by an Approved Seller, or purchase by Bluestone, due to a breach of a representation and warranty made by the Trust Manager in relation to the Loans under the Series Notice; and
- (b) the Trustee exercising the call feature described in section 6.14.

5.7 Servicer risk

The Servicer under the Servicing Agreement has been appointed as initial servicer of the Purchased Loans. A failure by the Servicer properly to perform its servicing obligations may have an impact on the timing of funds received by the Trustee in respect of the Purchased Loans.

In this regard the Servicing Agreement sets out certain circumstances in which the Servicer can be removed (see section 7.4(h)). There is no guarantee that a replacement Servicer will be found who would be willing to service the

Purchased Loans on the terms of the Servicing Agreement or that it will be able to service the Purchased Loans with the same level of skill and competence as the initial Servicer.

To minimise the risk of finding a suitable substitute servicer, the Servicer, Trustee, Back-up Servicer and Trust Manager have entered into the Back-up Servicing Agreement whereby the Back-up Servicer has agreed to act as the back-up servicer for Purchased Loans in accordance with the terms of the Back-up Servicing Agreement.

5.8 Enforcement of Security

If the Security Trust Deed becomes enforceable and some or all of the Purchased Loans are sold, there is no guarantee that the Security Trustee would be able to sell the Purchased Loans for their then Unpaid Balance. This may adversely impact the Trustee's ability to repay all amounts outstanding in relation to the Notes.

5.9 Breach of representation or warranty

Each Originator makes certain representations and warranties to the Trustee, to the Trust Manager, to each Noteholder and to the Security Trustee in relation to the Loans originated by it to be assigned to the Trustee, as at the Cut-Off Date and the Closing Date, including that:

- (a) each Loan is an Eligible Loan. In relation to any related Loan Security that is required to be registered with any Government Agency and which is not registered at the Cut-Off Date, it will be registered;
- (b) it has not done, or omitted to do, anything which would prevent each Loan from being valid, binding and enforceable against the relevant Borrower in all material respects except to the extent that it is affected by laws relating to creditors rights generally, or doctrines of equity;
- (c) it has not done, or omitted to do, anything which would prevent the relevant Borrower from being the sole legal owner of the Mortgaged Property and registered as the sole proprietor of the Mortgaged Property;
- (d) there has been no fraud, dishonesty, material misrepresentation or negligence on the part of the Trust Manager in connection with the selection and offer to the Trustee of any of the Loans;
- (e) as at the Cut-Off Date, none of the Loans was satisfied, cancelled, discharged or rescinded and the Mortgaged Property relating to each Loan had not been released from the relevant Mortgage;
- (f) the Trust Manager has not done, or omitted to do anything which would render the interest rate for a Loan subject to any limitation, or to any consent, additional memoranda or other writing required from the relevant Borrower to give effect to a change in that rate and any change in that rate will be effective on notice being given to that Borrower in accordance with the terms of the relevant Loan or Loan Security;

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- (g) the Loans are assignable and all consents required in relation to the assignment of the Loans and ancillary rights have been obtained;
 - (h) between the Cut-Off Date and the Closing Date the Servicer dealt with the Loans in the ordinary course of its business; and
 - (i) to its knowledge, the Originator's valuation policies meet the prudential practice guidelines on Security Valuation published by APRA in Prudential Practice Guide APG 223.

The Trustee has not investigated or made any enquiries regarding the accuracy of the representations and warranties.

5.10 Reinvestment risk

If a prepayment is received on a Purchased Loan during the period between one Payment Date and the next, interest at the then rate on the Purchased Loan will cease to accrue on that part of the Purchased Loan prepaid from the date of the prepayment. The amount prepaid will be invested in Authorised Investments for the balance of the Collection Period at a rate that may be less than the then rate on the Purchased Loan. Interest will, however, continue to be payable in respect of a corresponding amount of principal on the Notes until the next Payment Date following the prepayment. Accordingly, this may affect the ability of the Trustee to pay interest in full on the Notes from Income, but the Trustee has access to a certain amount of Principal Collections by way of Principal Draws.

5.11 Consumer Credit Legislation

- (a) Some of the Purchased Loans are regulated by Consumer Credit Legislation. Under that legislation, amongst other things:
 - (i) a Borrower may have a right to apply to a court to vary their Purchased Loan on the grounds of hardship;
 - (ii) a Borrower, a mortgagor or a guarantor may have a right to apply to a court to vary their Purchased Loan, mortgage or guarantee on the grounds that it is unjust;
 - (iii) a Borrower, a mortgagor or a guarantor may have a right to apply to a court to reduce or cancel any interest rate change, establishment fee or charge, early termination fee or charge or prepayment fee or charge which is payable on the Purchased Loan which is unconscionable and make any ancillary or consequential orders;
 - (iv) a Borrower, a mortgagor or a guarantor may have a right to apply to a court to obtain an order for a civil penalty where their Purchased Loan breaches certain key requirements of the Consumer Credit Legislation. The amount of the penalty will depend on who brings the application, the nature of the breach and the type of Purchased Loan, but for some Purchased Loans in some situations it could be a maximum amount equal to all interest charges payable under the contract from the date it was made (although the amount of the penalty may be greater if the debtor or guarantor satisfies the court that he or she has suffered a loss). If an

application for a civil penalty is made by a Borrower, mortgagor or guarantor, any civil penalty awarded may be set off against any amount due under the Purchased Loan;

- (v) a Borrower, a mortgagor or a guarantor may have a right to apply to a court to obtain restitution or compensation from the credit provider including in relation to any breaches of the Consumer Credit Legislation, or the commission of offences under the Consumer Credit Legislation in relation to the relevant Purchased Loan, Mortgage or guarantee;
 - (vi) a Borrower, a mortgagor or a guarantor may have a right to apply to a court to obtain an order for the recovery of fees and charges which are not authorised to be charged under the terms of their Purchased Loan or the Consumer Credit Legislation; or
 - (vii) a Borrower, a mortgagor or a guarantor may have a right to apply to a court to obtain an order: declaring the whole of or any part of a contract, deed or arrangement to be void; varying the contract, deed or arrangement; to refuse to enforce any of all of the terms of the contract, deed or arrangement; to refund money or return property; to pay for loss or damage; or to supply specified services.
- (b) Certain provisions of the Purchased Loan or relevant Mortgage or guarantee which are in breach of the Consumer Credit Legislation may be declared void or unenforceable and amounts paid in respect of such provisions may be recovered.
- (c) This may affect the timing or amount of interest, fees and charges or principal repayments under the relevant Purchased Loan (which might in turn affect the timing or amount of interest payments or principal repayments under the Notes).
- (d) Breaches of the Consumer Credit Legislation may also lead to civil penalty payments and/or criminal fines being imposed on the Approved Seller. The Trustee will (subject to limited exceptions) be indemnified out of the assets of the Trust for its liabilities under the Consumer Credit Legislation.
- (e) The core provisions of the NCCP Act and associated Acts and regulations (together, the **NCCP Regime**) commenced on 1 July 2010 and this legislation replaced the existing legislation from that date. The National Credit Code (Schedule 1 to the NCCP Act) which forms part of the NCCP Regime is in substantially the same terms as the previous Consumer Credit Code. While there are some key differences, most of the key differences are not relevant to Purchased Loans in the Trust, as the majority were originated after commencement of the National Credit Code. The NCCP Regime regulates a wide range of participants in the credit industry, including credit providers, finance brokers and other intermediaries. Amongst other things, the NCCP Regime:
- (i) requires credit providers and certain other persons engaging in "credit activities" to have an Australian Credit Licence

(**ACL**) (unless they fall within an exemption). The definition of "credit activities" is broad and captures a range of activities relating to consumer credit contracts and consumer leases;

- (ii) aims to protect consumers from being offered or entering into loans that are "unsuitable" for them, by imposing responsible lending requirements on ACL holders and others. These responsible lending requirements are subject to significant ongoing focus. This is evidenced by, amongst other things, recent Federal Court decisions, regulatory guidance from the Australian Securities and Investments Commission (**ASIC**) and action which ASIC has taken against licensees, including issuing infringement notices. The practical effect of this focus, among other things, is that the interpretation of, and/or guidance in relation to, these obligations can change, particularly in respect of whether the steps taken by a credit licensee are sufficient to comply with its responsible lending obligations;
 - (iii) imposes certain disclosure obligations on ACL holders and others;
 - (iv) requires credit activities to be engaged in efficiently, honestly and fairly;
 - (v) transfers responsibility for enforcement and supervision to ASIC and gives ASIC broad powers to enforce the legislation. In particular, ASIC has the power (which had not previously existed) to bring representative actions in relation to interest rate changes, early termination fees and prepayment charges on the grounds that they are unconscionable (this power will arise in relation to Purchased Loans which were originated under and regulated by the superseded Consumer Credit Legislation);
 - (vi) provides consumers with access to certain remedies; and
 - (vii) imposes civil and criminal penalties for certain breaches of the legislation.
- (f) Additional consumer protections took effect from 1 July 2010 through amendments to the Australian Securities and Investments Commission Act 2001 (Cth) (**ASIC Act**).

The ASIC Act includes an unfair contract terms regime (the **ASIC Act Regime**) under which regime a standard-form consumer contract will be unfair, and therefore void, if it would cause a significant imbalance in the parties' rights and obligations under the contract, is not reasonably necessary to protect the supplier's legitimate interests and it would cause detriment (whether financial or otherwise) to a party if it were to be applied or relied on. This regime will apply to the Purchased Loans, Mortgages and guarantees in the Trust which were entered into after the regime commenced. It will also apply to Purchased Loans, mortgages and guarantees entered into before the regime commenced if such Purchased Loans, Mortgages or guarantees

were or are varied on or after commencement, but only in relation to the terms as varied in relation to conduct that occurs after the variation.

From 12 November 2016, similar protections in the ASIC Act applied to the entry into of, or relevant amendments to, small business contracts, being contracts:

- (i) that are a financial contract or are contract for the supply or possible supply of services that are financial services;
- (ii) where at least one of the parties employs less than 20 people, including casual employees employed on a regular and systematic basis; and
- (iii) where the upfront price payable under the contract is no more than \$300,000, or \$1,000,000 if the contract is for more than 12 months.

On 27 October 2022, the Australian Federal Government passed the *Treasury Laws Amendment (More Competition, Better Prices) Act 2022 (Amending Act)*. The Amending Act made a number of key changes to the ASIC Act Regime. The changes came into force on 9 November 2023. The key changes include:

- (i) introduction of prohibitions on:
 - A. making a contract with; and/or
 - B. applying, relying or purporting to apply or rely on,

an unfair contract term. A separate contravention will arise each time an unfair term is relied upon (or purported to be relied upon), including multiple instances of reliance on the same term;
- (ii) enabling courts to impose significant pecuniary penalties for a contravention of these new prohibitions; and
- (iii) amending the definition of a small business contract to a contract where one of the parties is a business that employs fewer than 100 persons or has a turnover for the last income year of less than \$10 million.

The changes under the Amending Act apply to standard form contracts entered into on or after 9 November 2023, as well as to any existing standard form contracts that are renewed and to any terms that are varied or added to a standard form contract on or after 9 November 2023.

The Victorian regime for the regulation of unfair contracts set out in Part 2B of the Fair Trading Act 1999 (Vic) applied to agreements that were entered into by individuals between 9 October 2003 (or June 2009 for credit contracts which were formerly regulated by the Consumer Credit (Victoria) Act 1995 (Vic)) and 1 January 2011. Purchased Loans and related mortgages and guarantees entered into

before the application of the Victorian regime or the ASIC Act regime (as the case may be) will become subject to the ASIC Act regime going forward if those contracts are renewed or a term is varied (although, where a term is varied, the regime only applies to the varied term).

If a provision of any of the Purchased Loans or related mortgages or guarantees were found to be unfair, this could have an adverse effect on the ability of the Trustee to recover money from the relevant borrower, mortgagor or guarantor and consequently to make payments under the transaction documents. Additionally, from 9 November 2023, if a term of an Acquired Receivable is found to be unfair, this may lead to significant pecuniary penalties. The Trustee will (subject to limited exceptions) be indemnified out of the assets of the Trust for liabilities under the Consumer Credit Legislation.

Under section 12GM of the ASIC Act, a Court can make a range of orders, including declaring all or part of a contract to be void, varying a contract, refusing to enforce some or all the terms of a contract or arrangement, directing a party to refund money or return property to the person who suffered, or directing a party to provide services to the person who suffered or is likely to suffer at the party's expense.

Additionally, since 9 November 2023, as a result of amendments made by the Amending Act, courts have additional powers with respect to unfair contract terms, including powers to:

- (i) void, vary or refuse to enforce all or any provisions of a contract in order to redress loss or damage that has been caused to any person by an unfair term or to prevent or reduce loss or damage likely to be caused;
 - (ii) extend such orders to apply to similar terms in other standard form contracts;
 - (iii) issue injunctions restraining a party from including a term that is the same or substantially similar to a declared unfair contract term in future standard form contracts; and
 - (iv) make adverse publicity orders and orders disqualifying a person from managing a corporation on the basis of a contravention of the unfair contracts terms provisions ASIC is able to impose conditions on licensees and suspend or cancel licences where licensees do not meet their obligations.
- (g) The Approved Seller will give certain representations and warranties that the Purchased Loans and related Mortgages and guarantees complied in all material respects with the Consumer Credit Legislation when those documents were entered into. The Servicer has undertaken to comply with the Consumer Credit Legislation and the NCCP Regime in connection with servicing the Purchased Loans and related Mortgages and guarantees where failure to do so would have an Adverse Effect. The Trustee may have the right to claim damages from the Approved Seller or the Servicer, as the case may be, where the Trustee suffers loss in connection with a breach of the Consumer

Credit Legislation or the NCCP Regime which is caused by a breach of a relevant representation or undertaking.

- (h) Since 1 November 2018, the external dispute resolution scheme has been administered by the Australian Financial Complaints Authority (**AFCA**). AFCA has the power to resolve disputes with respect to a credit facility, where the amount claimed by someone other than a Small Business or Primary Producer (as defined in the Australian Financial Complaints Authority Rules) does not exceed \$1 million. In determining complaints, AFCA's primary duty is to do what is fair in all the circumstances, but it is possible that, having had regard to legal principles, the decision-maker decides to not apply them because the strict application of those legal principles would lead to an outcome which is unfair in all the circumstances (*Investors Exchange Limited v Australian Financial Complaints Authority Limited & Anor* [2020] QSC 74 at [35]), AFCA also has the power to give financial firms binding directions as part of dealing with a systemic issue.
- (i) The National Consumer Credit Legislation is regularly amended and subject to interpretation by the Courts.

5.12 Market Risks

There is no assurance that a secondary market in any Notes will develop, or if one does develop, that it will provide liquidity of investment or will continue for the life of those Notes. No assurance can be given that it will be possible to effect a sale of any Notes, nor can any assurance be given that if a sale were to take place it would not be at a discount to the acquisition price or the face value of any Notes.

5.13 Threshold Rate

The Trust Manager is required to calculate the Threshold Rate which will be set on the Purchased Loans from time to time (unless it elects to pay or procure payment of the relevant Threshold Rate Subsidy in accordance with section 7.2(b)). In this situation where the interest rate on Purchased Loans is set at the Threshold Rate, the rates on the Purchased Loans may be set at above market interest rates on the variable rate housing loans to meet required Trustee payments which could result in the affected Borrowers refinancing their loans with another financier which in turn could cause Noteholders to experience higher rates of principal repayment on their Notes than initially anticipated. If a Borrower is unable to refinance their Purchased Loan they may be unable to meet payments of interest on their Purchased Loan at the increased rate causing them financial hardship. The Trustee may be subject to reinvestment risk to the extent that any payments and prepayments invested in Authorised Investments do not earn a sufficient rate of interest to cover the interest owing on the Notes.

5.14 Ability To Change Loan Features

The Servicer may initiate certain changes to the Purchased Loans. Most frequently, the Servicer will change the interest rate applying to a Purchased Loan. In addition, subject to certain conditions, the Servicer may from time to time offer additional features and/or products with respect to the Purchased Loans.

As a result of such changes, the characteristics of any Purchased Loans as of the Cut-Off Date may differ from the characteristics of those Purchased Loans at any other time. If the Servicer elects to change certain features of the Purchased Loans, this could result in different rates of principal repayment on the Notes than initially anticipated.

5.15 Information Memorandum Responsibility

Except as expressly provided in this Information Memorandum, the Trust Manager and not the Trustee takes responsibility for the Information Memorandum. As a result, in the event that a person suffers loss due to any information contained in this Information Memorandum being inaccurate or misleading, or omitting a material matter or thing, that person will not have recourse to the Assets of the Trust (except where the person who suffers loss is a Noteholder, in which case any recourse they have against the Assets of the Trust will be in accordance with applicable laws and the provisions of the Transaction Documents with respect to the Notes).

5.16 Risk of Losses and Delays from Enforcement of the Loans

Substantial delays could be encountered in connection with the enforcement of a Purchased Loan and related Mortgage and result in shortfalls in distributions to Noteholders. Further, Enforcement Expenses such as legal fees, real estate taxes and maintenance and preservation expenses will reduce the net amounts recoverable by the Trustee from an enforced Purchased Loan or Mortgage. In the event that any of the properties fail to provide adequate security for the relevant Purchased Loan, Noteholders could experience a loss.

5.17 Turbulence in the Financial Markets

There has been significant disruption in the credit markets during the past several years caused by market economic and political conditions. Increased market instability and uncertainty in both Australian and international capital and credit markets (including, without limitation, by reason of fires, floods, the Russia-Ukraine war and the COVID-19 coronavirus referred to in Section 5.36), together with increased unemployment, rising inflation, rising interest rates, sanctions imposed as a result of the Russian-Ukraine war, supply-chain issues and declines in business and consumer confidence, have contributed to volatility in domestic and international markets and may negatively affect the Australian housing market.

Such disruptions in markets and credit conditions have had (in some cases), and may continue to have, the effect of depressing the market values of residential mortgage-backed securities and reducing the liquidity of residential mortgage-backed securities generally.

These factors may adversely affect the performance, marketability and overall market value of the Notes.

5.18 Purchased Loans – Geographic Areas

The Trust contains a high concentration of Purchased Loans secured by properties located within New South Wales, Victoria and Queensland. A deterioration in the real estate values or the economy of any of those states could result in higher rates of delinquencies, foreclosures and losses than expected on the Purchased Loans. In addition, those states may experience natural disasters (including but not

limited to bushfires, cyclones and floods), which may not be fully insured against and which may result in property damage, deterioration in the economic conditions in those states or regions and losses on the Purchased Loans. The impact of any decrease in real estate values on the LVRs of the Purchased Loans as a result of these events will vary depending on the type of property, the location of the property and the seasoning of the Purchased Loans. These events may in turn have a disproportionate impact on funds available to the Trust, which could cause losses on the Notes.

5.19 Rating

It is expected that the Class A1S Notes and the Class A1L Notes will be initially rated AAAsf by Fitch and rated AAA(sf) by S&P, that the Class A2 Notes will be initially rated AAAsf by Fitch and rated AAA(sf) by S&P, that the Class B Notes will be initially rated AAAsf by Fitch, that the Class C Notes will be initially rated Asf by Fitch, that the Class D Notes will be initially rated BBB+sf by Fitch, and the Class E Notes will initially be rated BBB-sf by Fitch. The Class G Notes will be unrated. Ratings other than these have not been requested. There can be no assurance as to whether another rating agency will rate the Notes and if so, what ratings would be so assigned to the Notes. Any ratings so assigned could be lower than those indicated above. The rating of a Note may change over time for numerous reasons including, but not limited to, a change in the ratings criteria used by ratings agencies.

The ratings of the Notes should be evaluated independently from similar ratings on other types of Notes. A Note rating is not a recommendation to buy, sell or hold Notes and may be subject to revision or withdrawal at any time by the assigning rating agency.

The ratings of the Notes do not address the expected rate of principal repayments (including prepayments) under the Purchased Loans.

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

5.20 Investment in the Notes may not be suitable for all investors

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

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

5.21 FATCA and similar legislation

The Foreign Account Tax Compliance Act (**FATCA**) was enacted by the United States Congress in March 2010 as part of its efforts to improve compliance with their tax laws. FATCA is aimed at detecting US taxpayers who use accounts with offshore (non-US) financial institutions to conceal income and assets from the US Internal Revenue Service (**IRS**). The relevant provisions are contained in the US Internal Revenue Code 1986 and are supplemented by extensive US Treasury Regulations that were issued on 17 January 2013 (and have been subject to subsequent amendment).

FATCA focuses on reporting by:

- (a) US taxpayers about certain foreign financial accounts and offshore assets; and
- (b) foreign (non-US) financial institutions about financial accounts held by US taxpayers or foreign entities in which US taxpayers hold a substantial ownership interest (**US Persons**).

The objective of FATCA is the reporting of foreign (non-US) financial assets. This means that FATCA imposes certain due diligence and reporting obligations on foreign (non-US) financial institutions. In the case of clients who fail to provide a foreign financial institution with the information required to fulfil the institution's reporting requirements, the foreign financial institutions must withhold 30% on all US withholdable payments as prescribed by the FATCA Regulations. To avoid being withheld upon, a foreign financial institution may generally register with the IRS, obtain a Global Intermediary Identification Number (**GIIN**) and report certain information on US accounts to the IRS. However, where a jurisdiction enters into an Intergovernmental Agreement (a **FATCA Agreement**) with the US to implement FATCA, the reporting and other compliance burdens on the financial institutions in that jurisdiction may be simplified.

On 28 April 2014 the Treasurer, on behalf of the Australian Government, and the US Ambassador to Australia, on behalf of the US Government, signed a FATCA Agreement. Under the FATCA Agreement between Australia and the United States:

- (a) Reporting Australian Financial Institutions (**Reporting AFIs**) are required to report information on US Persons to the Commissioner of Taxation and that information will be made available to the IRS;
- (b) certain Australian institutions and accounts are exempt from FATCA (e.g. superannuation funds);
- (c) Reporting AFIs, that is, Australian Financial Institutions that are not exempt, need to:
 - (i) register with the IRS and obtain a GIIN; and
 - (ii) undertake due diligence procedures on accounts existing on 1 July 2014 as well as accounts opened after that date, identify where those accounts are held by US Persons and report certain information on those accounts to the Commissioner of Taxation each year; and

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- (d) there will be no withholding on the US source income of Reporting AFIs, unless there is significant non-compliance by a Reporting AFI with its FATCA Agreement obligations, and after following the procedures set out in the FATCA Agreement, the Reporting AFI is treated by the IRS as a non-participating financial institution.

To implement the FATCA Agreement between Australia and the United States, Australian domestic legislation was introduced in the form of Subdivision 396-A to Schedule 1 to the Taxation Administration Act 1953 (Cth). Effective since 1 July 2014, those amendments require Reporting AFIs to collect and retain information about their customers, conduct ongoing due diligence and provide that information to the Commissioner of Taxation, who will, in turn, provide that information to the IRS.

It is expected that the Trust will be classified as a 'Financial Institution' under FATCA and the terms of the FATCA Agreement will apply to it accordingly.

If the Trustee or any other person is required to withhold amounts under or in connection with FATCA from any payments made in respect of the Notes, Noteholders and beneficial owners of the Notes will not be entitled to receive any gross up or additional amounts to compensate them for such withholding. This includes no gross up for FATCA withholding where the Trustee or any other person is required to withhold in respect of amounts treated as a "foreign passthru payment" made two years or more after the date on which the final US Treasury Regulations that define "foreign passthru payments" are published, because the Noteholders entitled to such passthru payments are recalcitrant account holders (as defined in section 1471(d)(6) of the U.S. Internal Revenue Code) or if passthru payments are made to certain foreign financial institutions that are non-participating foreign financial institutions.

If any other jurisdiction introduces legislation which has or may have a similar effect as FATCA such that the Trustee or any other person is required by that legislation to withhold amounts from any payments made in respect of any Notes, the Noteholders and beneficial owners of the Notes will not be entitled to receive any gross up or other additional amounts to compensate them for such withholding.

Guidance that is issued by the ATO or the IRS and which may be updated from time to time, may also affect the application of FATCA to the Notes.

5.22 Global financial regulatory reforms and implementation of and/or changes to the Basel Framework

The Basel Committee on Banking Supervision (the **Basel Committee**) approved significant changes to the Basel II regulatory capital and liquidity framework (such changes being commonly referred to as Basel III) in 2011 to 2014, including certain revisions to the securitisation framework. In particular, Basel III provides for a substantial strengthening of existing prudential rules, including requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and to establish certain liquidity ratios (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio). Member countries were required to implement the new capital standards on 1 January 2019. Implementation of Basel III requires national legislation and therefore the final rules and the timetable for its implementation in each

jurisdiction is subject to some level of national variation. The Basel Committee has also published certain proposed revisions to the securitisation framework, including changes to the approaches to calculating risk weights and a new risk weight floor of 15%. In July 2016 the Basel Committee published an updated standard for the regulatory capital treatment of securitisation exposures that includes reducing the risk weight floor from 15 per cent to 10 per cent in respect of senior exposures which comply with the "simple, transparent and comparable" securitisation criteria outlined by the Basel Committee.

In the EU, the EU Securitisation Regulation provides, in a securitisation context, that qualifying simple, transparent and standardised (STS) securitisations should be subject to more favourable regulatory treatment, including reduced risk weightings for EU-regulated credit institution and investment firm investors. At this point, no assurances can be given that the securitisation pursuant to which the Notes are being issued will qualify as a STS securitisation now or at any time in the future. Notably, the risk weights attached to securitisation exposures for EU-regulated credit institutions and investment firms will in general increase substantially under the new securitisation framework implemented under the EU Securitisation Regulation and these new risk weights will apply from 1 January 2019 or 1 January 2020, depending on the features of the particular securitisation exposure.

In Australia, APRA has implemented prudential standards, practice guides and reporting requirements to give effect to these reforms. The Australian Prudential Standard 120 (**APS 120**) and related Australian Prudential Practice Guide 120 (**APG 120**) commenced application to securitisation transactions with effect from 1 January 2018. These rules represent the culmination of a number of years of consultation in relation to the proposed new rules and the implementation date is in line with the determination by the Basel Committee on when the Basel III securitisation framework should come into effect.

The changes approved by the Basel Committee and the APS 120 and APG 120 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 or APS 120 and, as a result, they may affect the liquidity and/or value of the Notes.

No assurance can be given that any regulatory reforms will not have a significant adverse impact on the Bluestone Prime programme or on the regulation of the Trust, Bluestone, Bluestone Mortgages Pty Limited or any member of the Bluestone Group.

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 framework, APS 120 or APG 120 and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise. Minor updates were proposed to the APS 120 by APRA in 2023 with the revised APS 120 in effect from 1 January 2024.

5.23 EU Securitisation Regulation and UK Securitisation Regulation

For information on the requirements and corresponding risks relating to the EU Securitisation Regulation and the UK Securitisation Regulation, please refer Section 2.13 for further details.

5.24 U.S. Risk Retention

The U.S. Risk Retention Rules came into effect on 24 December 2016 with respect to transactions such as this offering, and generally require the “securitizer” of a “securitization transaction” to retain at least 5 per cent. of the “credit risk” of “securitized assets”, as such terms are defined for purposes of the U.S. Risk Retention Rules, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

Neither Bluestone, Bluestone Mortgages Pty Limited nor any other party in connection with this securitisation transaction provides any undertaking to retain at least 5 per cent. of the credit risk of the Loan Rights for the Purchased Loans for the purposes of compliance with the U.S. Risk Retention Rules. It is intended that the Originators will rely on a safe harbor exemption provided for in the U.S. Risk Retention Rules. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) (as determined by fair value under US GAAP) of all classes of securities issued in the securitization transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Information Memorandum as Risk Retention U.S. Persons); (3) neither the sponsor nor the issuer of the securitization transaction is organised under U.S. law or is a branch or office located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral collateralizing the Notes was acquired by the sponsor or the issuer of the securitization transaction, directly or indirectly, from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Notes may not be purchased by or transferred to U.S. persons unless such limitation is waived by the Trust Manager (on behalf of the Trustee) (such waiver, the **US Risk Retention Waiver**). The Trust Manager (on behalf of the Trustee) will not provide a U.S. Risk Retention Waiver to any investor in the Notes if such investor's purchase would result in more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) (as determined by fair value under US GAAP) of all Classes of Notes to be sold, transferred to or held by Risk Retention U.S. Persons on the Closing Date or during the 40 days after the completion of the distribution of the Notes. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, and in one respect is materially narrower than, the definition of U.S. person under Regulation S. In particular, a partnership, corporation, limited liability company or other organization or entity that is organized or incorporated under the laws of a non-U.S. jurisdiction will qualify as a "U.S. person" under Regulation S if (a) formed by a "U.S. person" (as defined in Regulation S) principally for the purpose of investing in unregistered securities and (b) owned exclusively by "accredited investors" as defined in Regulation D under the Securities Act who are not natural persons, estates or trusts. However, any such organization or entity organized or incorporated under the laws of a non-U.S. jurisdiction that is not so formed and owned will not qualify as a Risk Retention U.S. Person.

The Notes may not be purchased by, and will not be sold to any person except for (a) persons that are not Risk Retention U.S. Persons, or (b) persons that have obtained a U.S. Risk Retention Waiver from the Trust Manager (on behalf of the Trustee). Each holder of a Note or a beneficial interest therein acquired prior to the date occurring 40 days after the completion of the distribution of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Trustee, the Originators, the Trust Manager, the Arranger, the Dealers and the Joint Lead Managers that it (1) either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver rules from the Trust Manager (on behalf of the Trustee), (2) is acquiring such Note for its own account and not with a view to distribution of such Note, and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the safe harbor for certain non-U.S. transactions provided for in relation to the U.S. Risk Retention Rules described above. Neither the Trust Manager nor the Trustee is obliged to provide any waiver in respect of the U.S. Risk Retention Rules.

The Trust Manager, the Originators, the Trustee, the Arranger, the Dealers, the Swap Provider and the Joint Lead Managers have agreed that none of the Trust Manager, the Originators, the Trustee, the Arranger, the Dealers, the Swap Provider or the Joint Lead Managers or any person who controls any of them or any director, officer, employee, agent or affiliate of the Trust Manager, the Originators, the Trustee, the Arranger, the Dealers, the Swap Provider or the Joint Lead Managers shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the safe harbor for certain non-U.S. transactions provided for in relation to the U.S. Risk Retention Rules, and none of the Trust Manager, the Originators, the Trustee, the Arranger, the Dealers, the Swap Provider or the Joint Lead Managers or any person who controls any of them or any director, officer, employee, agent or affiliate of any of the Trust Manager, the Originators, the Trustee, the Arranger, the Dealers, the Swap Provider or the Joint Lead Managers accepts any liability or responsibility whatsoever for any such determination, it being understood by the Trust Manager, the Originators, the Trustee, the Arranger, the Dealers, the Swap Provider or the Joint Lead Managers that the characterisation of potential investors for such restriction or for determining the availability of the safe harbor for certain non-U.S. transactions provided for in relation to the U.S. Risk Retention Rules shall be made on the basis of certain representations that are made or otherwise deemed to be made by each prospective investor.

There can be no assurance that the safe harbor for certain non-U.S. transactions provided for in relation to the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. In particular, the Trust Manager (on behalf of the Trustee) may not be successful in limiting investment by Risk Retention U.S. Persons to no more than 10 per cent. This may result from misidentification of Risk Retention U.S. Person investors as non-Risk Retention U.S. Person investors, or may result from market movements or other matters that affect the calculation of the 10 per cent. value on the Closing Date.

Failure on the part of the Originator or the Trust Manager (on behalf of the Trustee) to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Originator or the Trust Manager (on behalf of the Trustee) which may adversely

affect the Notes. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally or the mortgage loan securitisation market is uncertain, and a failure by the Originator or Manager (on behalf of the Trustee) to comply with the U.S. Risk Retention Rules could negatively affect the market value and secondary market liquidity of the Notes.

In addition, after the Closing Date, the U.S. Risk Retention Rules may have adverse effects on the Trustee and/or the holders of the Notes. Unless the safe harbor for certain non U.S. transactions provided for in relation to the U.S. Risk Retention Rules regarding non-U.S. transactions or another exemption is available, the U.S. Risk Retention Rules would apply to a refinancing of the Notes or in connection with material amendments to the terms of the Notes and any additional notes offered and sold by the Trustee after the Closing Date or any refinancing of the Notes or in connection with material amendments to the terms of the Notes.

In addition, the U.S. Securities and Exchange Commission (the **SEC**) has indicated in contexts separate from the U.S. Risk Retention Rules that an "offer" and "sale" of securities may arise when amendments to securities are so material as to require holders to make a new "investment decision" with respect to such securities. Thus, if the SEC were to take a similar position with respect to the U.S. Risk Retention Rules, they could apply to future material amendments to the terms of the Notes, to the extent such amendments require investors to make a new investment decision with respect to the Notes. As noted above, the Originator does not intend to or undertake to retain at least 5 per cent. of the credit risk of the Purchased Loans for the purposes of compliance with the U.S. Risk Retention Rules, in reliance upon the safe harbor for certain non-U.S. transactions provided for in relation to the U.S. Risk Retention Rules. However, there can be no assurance that the safe harbor or any other exemption from the U.S. Risk Retention Rules will be available in connection with any such additional issuance, refinancing or amendment occurring after the Closing Date. As a result, the U.S. Risk Retention Rules may adversely affect the Originator or the Trustee (and the performance, market value or liquidity of the Notes) if the Trustee is unable to undertake any such additional issuance, refinancing or amendment. Furthermore, no assurance can be given as to whether the U.S. Risk Retention Rules would have any future material adverse effect on the business, financial condition or prospects of the Originator or the Trustee or on the market value or liquidity of the Notes.

5.25 The proposed financial transaction tax

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common financial transaction tax (**FTT**) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and the FTT could, if introduced, apply to certain dealings in financial instruments (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in financial instruments where at least one party is a financial institution, and at least one party is established in a participating

Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State, or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the proposed FTT remains subject to negotiation between participating Member States. Additional EU member states may decide to participate. It may therefore be altered prior to any implementation, the timing of which remains unclear.

Prospective Noteholders are advised to seek their own professional advice in relation to the FTT.

5.26 Australian Anti-Money Laundering and Counter-Terrorism Financing Act

An entity has obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, where it provides a designated service which includes:

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

These obligations will include undertaking customer due diligence before a designated service is provided. The obligations also include, but are not limited to, conducting on-going customer due diligence and reporting of suspicious and other transactions.

The obligations placed upon an entity can affect the services of an entity or the funds it provides and ultimately may result in a delay or decrease in the amounts an investor receives.

5.27 Personal Property Securities Act

A personal property securities regime commenced operation throughout Australia on 30 January 2012 pursuant to the Personal Property Securities Act (**PPSA**). The PPSA adopts a "functional approach" to security interests. This means that the PPSA regulates any interest in relation to personal property that, in substance, secures payment or performance of an obligation. In addition, the PPSA regulates security interests which are deemed to arise upon the transfer of certain types of assets (including loans), these are generally referred to as "deemed security interests". The PPSA does not regulate the granting of security interests in land.

The PPSA applies not only to security interests which come into existence after 30 January 2012, but also to security interests evidenced by agreements that were

already in existence as at 30 January 2012. This type of security interest is referred to as a "transitional security interest". Generally, in order to be perfected under the PPSA, a security interest, whether or not it is a transitional security interest should be registered on the register maintained pursuant to the PPSA (the **PPS Register**). Where a transitional security interest was already registered on an existing public register, such as under the Corporations Act charges registration regime, as at 30 January 2012 that security interest should have been migrated by the Australian federal government to the PPS Register and thereby perfected under the PPSA.

Transitional security interests which were not registered on any existing public register as at 30 January 2012 (such as any deemed security interest arising before 30 January 2012) were temporarily perfected under the PPSA for a period of 2 years from 30 January 2012 and needed to be registered within that 2 year period in order to preserve priority rights.

If the details held by the relevant existing public register in relation to a transitional security interest are incorrect or insufficient or if, as a result of human or systemic error those details were not properly migrated to the PPS Register or there is not a separate registration within the two year period, there is a risk that other persons with competing interests in the personal property may take free of that security interest because it will not have been perfected. However, transitional relief for a period of 60 months commencing from 30 January 2012 will apply to mitigate any such risk in relation to an error in respect of details on the PPS Register arising solely as a result of human or systemic error in the migration process. In addition, if the security interest is un-perfected, the holder of the security interest or the owner of the personal property may not be able to enforce that security interest or claim title to the personal property (as the case may be) if the lessee or other Trustee becomes insolvent.

Additionally, as the personal property security regime is relatively new to the Australian security landscape, there is some continuing uncertainty as to its implementation from a legal and practical perspective. There is a risk that, in some circumstances, the priority of an interest under the personal property security regime is different from its priority under the previous regime. As a result, there could be delays and/or reductions in collections on the Housing Loans available to make payments on the Notes.

Although the Trustee is required under the Transaction Documents to, upon the request of the Security Trustee, take such actions as are necessary or appropriate to, among other things, more satisfactorily secure to the Security Trustee the payment of the corresponding Secured Moneys or assure or more satisfactorily assure the Secured Property to the Security Trustee, the Servicer and the Trust Manager agree to do all things reasonably necessary (including, without limitation, directing the Trustee or the Security Trustee to take any required action) to permit the Security to be perfected by registration on the PPS Register and to otherwise perfect the Trustee's interest in the Assets of the Trust in the context of the PPSA, there can be no assurance that such actions will be successful in achieving such perfection.

On 22 September 2023, the Australian Government released its long-awaited response to the 2015 statutory review of the Personal Property Securities Act 2009 (Cth) (**PPSA**) and the Personal Property Securities Regulations 2010 (Cth) (**PPS Regulations**), referred to as the Whittaker Review. The response sets out

proposed comprehensive reforms, including changes to the PPSA and PPS Regulations which aim to reduce complexity in the PPSA.

The Australian Federal government proposed to accept 345 recommendations (in whole or in part) of the 394 recommendations made in the Whittaker Review. At a high level this includes the removal of a number of concepts within the PPSA such as chattel paper, the clarification and simplification of a number of existing concepts and a wholesale replacement of the enforcement rules.

If the PPSA amendment bills are introduced into Parliament and passed, the Government has flagged that there will be a "transition period" of at least two years. Submissions on the government's proposed reforms closed on 17 November 2023.

5.28 Liquidity Facility

NAB is acting as initial Liquidity Facility Provider. Accordingly, the availability of this support facility with respect to the Notes will ultimately be dependent on the financial strength of NAB. If NAB encounters financial difficulties which impede or prohibit the performance of its obligations under the various support facilities, the Trustee may not have sufficient funds to pay the full amount of principal and interest due on the Notes.

5.29 Common Reporting Standard

The Common Reporting Standard (**CRS**), formally known as the Standard for Automatic Exchange of Financial Account Information in Tax Matters, is a single global standard for the collection, reporting and exchange of financial account information on foreign tax residents.

Broadly, under the CRS, banks and other financial institutions are required to collect and report to the Australian Taxation Office (the **ATO**) on the financial account information of non-residents. The ATO will exchange this information with the participating foreign tax authorities of those non-residents. The ATO will receive financial account information on Australian residents from other countries' tax authorities. Specifically, the CRS is designed to facilitate the detection of taxpayers that utilise accounts with foreign financial institutions to avoid their domestic tax obligations.

The CRS was implemented by various bilateral treaties as well as the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. Australia became a signatory to the Convention in 2011.

The obligation on relevant Australian entities to comply with the CRS is now contained in Subdivision 396-C of the Taxation Administration Act 1953 (Cth). The provisions commenced from 1 July 2017. From that date, "Reporting Financial Institutions" are required to complete due diligence and report information to the ATO on accounts held by foreign tax residents. Reports cover the full calendar year and are due annually by 31 July.

To minimise business and tax administrations' implementation and compliance costs, the CRS draws extensively on the intergovernmental approach to implementing FATCA for due diligence procedures and reporting. Despite this,

there are a few salient differences between the FATCA and CRS regimes of note. Importantly:

- (a) the CRS does not impose a withholding tax as the cost of not reporting. Rather, the CRS applies administrative penalties for:
 - (i) failure to provide a report to the Commissioner that contains the information required by the CRS;
 - (ii) failure to obtain "self-certification";
 - (iii) failure to keep and maintain records in accordance with the CRS; and
 - (iv) providing a self-certification that is false or misleading;
- (b) generally, the CRS applies irrespective of account balance thresholds; and
- (c) the CRS does not require registration. There is no CRS equivalent to the GIIN required for FATCA compliance.

The CRS only places an obligation to report the accounts of jurisdictions that participate in the regime. The implementation of the CRS in Australia has extended this concept in the expectation that other jurisdictions will ultimately adopt the CRS. Section 396-120(3) defines Reportable Jurisdiction as any jurisdiction (other than Australia). Accordingly, if an account holder is a resident for tax purposes of a jurisdiction, other than Australia, then details of the account will need to be forwarded to the ATO.

It is expected that the Trust will be classified as an "Australian Financial Institution" under the CRS and the CRS will apply to it accordingly.

To assist financial institutions with implementing the CRS, the ATO has developed guidance material that is updated from time to time as the ATO receives and responds to further questions from industry.

5.30 Insolvency Law Reform

On 18 September 2017, the Treasury Laws Amendment (2017 Enterprise Incentives No.2) Act 2017 of Australia was enacted in Australia. The legislation provides for a stay on enforcement of certain rights arising under a contract (such as a right entitling a creditor to terminate the contract or to accelerate payments or providing for automatic acceleration) for a certain period of time (and in some cases indefinitely), if the reason for enforcement is the occurrence of certain events relating to specified insolvency proceedings, namely the appointment of an administrator or managing controller or an application for a scheme of arrangement, or the company's financial position during those proceedings (known as "ipso facto" rights). The specified proceedings do not include a winding up or liquidation unless it was preceded by a voluntary administration.

The operation of the legislation introducing the stay commenced on 1 July 2018. The stay applies to ipso facto rights arising under contracts, agreements or arrangements entered into after 1 July 2018, or entered into before 1 July 2018 and novated, assigned or varied on or after 1 July 2023, subject to certain exclusions. Rights exercised with the consent of the relevant administrator,

receiver, scheme administrator or liquidator and the right to appoint controllers during the decision period following the appointment of administrators are excluded and rights prescribed by regulations or Ministerial declarations may also be excluded (**subordinate legislation**). Such subordinate legislation may also prescribe additional reasons for application of the stay on enforcement, or for extending the stay indefinitely. The legislation also gives the Federal Court of Australia the power to broaden or narrow the scope and duration of the stay.

The Australian Government has made the Corporations Amendment (Stay on Enforcing Certain Rights) Regulations 2018 and the Corporations (Stay on Enforcing Certain Rights) Regulations (No. 2) 2018. The regulations exempt certain types of contracts from the stay, including an exemption for a contract, agreement or arrangement that is, or governs, securities, financial products, bonds, promissory notes or syndicated loans and a contract, agreement or arrangement that involves a special purpose vehicle, and that provides for securitisation. In addition, the Minister for Revenue and Financial Services made the Corporations (Stay on Enforcing Certain Rights) Declaration 2018 setting out certain types of contractual rights which will also be excluded from the stay (regardless of the type of contract under which those rights arise).

The extent to which certain contracts and contractual rights fall within the scope of the categories in the regulations and declaration is unclear. In particular, while the regulations exempt arrangements which are, or which govern, securities, financial products, bonds, promissory notes, or syndicated loans, the regulations do not expressly exempt ancillary arrangements. There is uncertainty as to aspects of this new regime and until the regulations have been the subject of any applicable decided case law or further official clarification, the scope of the stay on the exercise of ipso facto rights and the exclusions and the effect on any securities issued after the commencement date remains unclear.

5.31 Interest rate risk

As at the Cut-Off Date, a Purchased Loan will either be subject to a discretionary variable rate which may be adjusted by the Servicer from time to time or to a fixed rate.

The Servicer may only fix the interest rate payable on a Purchased Loan for periods which are no longer than 5 years or permit the extension of a Purchased Loan which is a Fixed Rate Loan if it has received prior written confirmation from the Trust Manager that the Trust Manager has directed the Trustee to enter into a Hedge Agreement in respect of that interest or that interest is already hedged under the Swap Agreement and other conditions are met.

For the purposes of hedging the interest rate risk between the fixed rate of interest on the Initial Fixed Rate Loans and the floating rate obligations of the Trust (for example, interest on the Notes), the Trustee will enter into a Swap Agreement with the Swap Provider.

Under the Swap Agreement, the Trust will pay to the Swap Provider collections on the Initial Fixed Rate Loans and the Swap Provider will pay amounts determined by reference to AUD-BBSW (as defined in the Swap Agreement), plus a margin based on the aggregate unpaid principal amount of the Initial Fixed Rate Loans as at the first day of the Collection Period.

See section 9.3 for more information on the Swap Agreement.

See section 4.12 in relation to fixing the interest rate on Purchased Loans.

5.32 Cessation of, or material change to, the BBSW benchmark may result in reduced liquidity and/or losses on the Notes

Interest rate benchmarks (such as BBSW and other interbank offered rates) have been and continue to be the subject of national and international regulatory guidance and proposals for reform.

In Australia, the administrator of BBSW is the ASX which calculates BBSW in accordance with the ASX BBSW Methodology dated 21 May 2018 and other guidance materials (the **BBSW Methodology**).

The expressed purpose of the BBSW Methodology was "to ensure that BBSW remains a trusted, reliable and robust financial benchmark". However, there is a risk that BBSW determined under the BBSW Methodology may not be based upon trade activity in underlying markets or may not be published at all.

A rate based on BBSW is used to determine (a) the amount of Interest payable on the Notes; (b) amounts payable by the Swap Provider to the Trustee under the Interest Rate Swap; (c) amounts of interest and commitment fees payable to the Liquidity Facility Provider by the Trustee under the Liquidity Facility Agreement and (d) the minimum Threshold Rate (see the definition of "Threshold Rate" in Section 13). If BBSW is unavailable for these purposes, investors should be aware of the fallback rates mechanism for the Notes (see the definition of "BBSW" in Section 13) and that the fallback rates for the Interest Rate Swap and the Liquidity Facility Agreement may not be the same. This mismatch may lead to shortfalls in interest payments on Notes and losses on Notes (to the extent Principal Draws are used to reimburse income shortfalls). Such fallback rates may, at the relevant time, also be cumbersome to calculate, may be more volatile than originally anticipated or may not reflect the funding cost or return anticipated by investors at the date they invested in their Notes.

At this stage, it is not possible to comment on the scope, nature and effect of further changes affecting global or domestic interest rate benchmarks and associated market practices, changes to the continued use of BBSW or changes to the current BBSW Methodology, and accordingly the consequences of any such changes is unknown and unknowable at this time. However, it is possible that such changes could cause such benchmarks (or their fallbacks) to cease to exist, to be commercially or practically unworkable (including if market participants cease to administer or participate in the relevant calculations) or to perform differently than originally intended (including because of volatility), and as such those changes could have a material adverse effect on the value and liquidity of Notes and/or the Interest paid or payable on Notes in the future.

Most recently, the RBA on 16 June 2022 released a bulletin entitled 'Fallbacks for BBSW Securities' which provides that all floating rate notes (**FRNs**) and marketed asset-backed securities issued on or after 1 December 2022, where BBSW is the relevant interest rate for the purposes of calculating coupons, must meet a number of criteria in order to be eligible for purchase by the RBA under repo transactions, which include including at least one 'robust' and 'reasonable and fair' fallback for BBSW in the event that it permanently ceases to exist. The RBA has indicated that, amongst other things:

- (a) a 'robust' fallback is one that clearly specifies the method for the calculation of interest that would apply for the purposes of calculating

coupon payments and would include those that reference AONIA (including AONIA plus or minus a fixed spread); and

- (b) a 'reasonable and fair' fallback is one that reasonably mitigates the impact on the economic value of the security in the event the fallback is invoked. A fixed-rate fallback would not be considered reasonable nor fair for the purposes of these criteria.

In November 2022 the Australian Securitisation Forum (**ASF**) published proposed drafting for fallback conditions. The interest rate benchmark fallback provisions for the Notes are based on the ASF's drafting.

None of the Trust Manager, the Originator, the Arranger, the Joint Lead Managers, the Dealers, the Trustee, the Security Trustee, the Liquidity Facility Provider, the Swap Provider nor any of their related entities or related bodies corporate, accepts any responsibility or liability (in negligence or otherwise) for any loss or damage resulting from the use of existing benchmark rates such as BBSW.

On 6 June 2018, ASIC designated BBSW as a "significant financial benchmark" and made the ASIC Financial Benchmark (Administration) Rules 2018 and the ASIC 101 Financial Benchmark (Compelled) Rules 2018. Additionally, the Treasury Laws Amendment (2017 Measures No. 5) Act 2018 (Cth) enables ASIC to, among other things, make rules relating to the generation and administration of financial benchmarks and it is possible in the future that ASIC will exercise these powers to establish guidelines around the setting of benchmarks that could apply to BBSW and affect the above commentary.

The Transaction Documents provide that if a Temporary Disruption Trigger occurs in respect of an Applicable Benchmark Rate, the rate for any day for which that Temporary Disruption Trigger is continuing and that Applicable Benchmark Rate is required will be the rate determined in accordance with the Temporary Disruption Fallback for that Applicable Benchmark Rate. In determining the BBSW Rate under a Temporary Disruption Fallback, preference will firstly be given to the Administrator Recommended Rate being a rate formally recommended for use as the replacement for the BBSW Rate by the Administrator, followed by the Supervisor Recommended Rate being the formally recommended for use as the replacement for the BBSW Rate by the Supervisor, and lastly the Final Fallback Rate.

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

The Trust Manager must notify the Designated Rating Agency upon becoming aware of the occurrence of a Permanent Discontinuation Trigger and upon the commencement of the application of a new Applicable Benchmark Rate following that Permanent Discontinuation Trigger.

All determinations, decisions, calculations, settings and elections required by this section and any related definitions are to be made by the Trust Manager. Any such determination, decision, calculation, setting or election, including (without limitation) any determination with respect to the level of a benchmark, rate or spread, the adjustment of a benchmark, rate or spread or of the occurrence or non-

occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error, may be made in the Trust Manager's sole discretion and, notwithstanding anything to the contrary in the Transaction Documents, will become effective as made without any requirement for the consent or approval of Noteholders any other person.

5.33 Certain Investment Company Act Considerations

The Trust is not registered or required to be registered as an "investment company" under the Investment Company Act of 1940, as amended (the ***Investment Company Act***). In determining that the Trust is not required to be registered as an investment company, the Trust does not rely on the exemption from the definition of "investment company" set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. As of the Closing Date, the Trust is intended to be structured so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (such statutory provision together with such implementing regulations commonly referred to as the "Volcker Rule").

5.34 Japanese Risk Retention

On 15 March 2019 the Japanese Financial Services Agency (***JFSA***) published the Criteria for a Bank to Determine Whether the Adequacy of its Equity Capital is Appropriate in Light of the Circumstances such as the Assets Held by it under the Provision of Article 14-2 of the Banking Act (Financial Services Agency Notice No. 19 of 2006) (the ***Notice***). The Notice provides new due diligence and risk retention rules, in relation to regulatory capital requirements with respect to the investment by certain Japanese financial institutions in securitisation transactions (the ***Japan Due Diligence and Risk Retention Rules***). The Japan Due Diligence and Risk Retention Rules became applicable to Japanese financial institutions investing in securitisation products from 31 March 2019.

The Japan Due Diligence and Risk Retention Rules apply to securitisation exposures held by banks, bank holding companies, credit unions (*shinyo-kinko*), credit cooperatives (*shinyo-kumiai*), labour credit unions (*rodo-kinko*), agricultural credit cooperatives (*nogyo-kyodo-kumiai*), ultimate parent companies of large securities companies and certain other financial institutions regulated in Japan (collectively, ***Japanese Affected Investors***).

Under the Japan Due Diligence and Risk Retention Rules, Japanese Affected Investors will be required to apply higher risk weighting to securitisation exposures they hold for regulatory capital purposes unless:

- (a) it establishes an appropriate due diligence framework to be applied to the relevant securitisation exposure and the underlying assets of such securitisation exposure; and
- (b) not only at the time of acquisition of the securitisation exposure but also each time the Japanese Affected Investor is required to calculate the risk weighting of its assets for regulatory capital purposes, either:
 - (i) it confirms that the relevant originator of the relevant securitisation transaction retains at least 5% of the exposure of

the total underlying assets in the transaction in an appropriate form; or

- (ii) it determines that the underlying assets were not inappropriately originated considering the originator's involvement with the underlying assets, the nature of the underlying assets or other relevant circumstances (the **Appropriate Origination Requirements**).

The Notice provides that, if the originator retains the most subordinated tranche, the amount of which is at least 5% of the exposure of the total underlying assets of this securitisation transaction, the Risk Retention Requirements are satisfied.

Bluestone will undertake that as at the Closing Date, the Retention Vehicles, each of which is a 100% subsidiary of Bluestone, will hold not less than 5% of the aggregate Principal Amount of all Notes to be issued (the **Retention Notes**). Although the Retention Notes are not being held by Bluestone as "originator" under the Japan Due Diligence and Risk Retention Rules, Bluestone is exposed to the risk on the Retention Notes:

- (a) through its 100% ownership of the Retention Vehicles which it will undertake to maintain; and
- (b) by providing an unconditional guarantee in favour of the lender providing financing to the Retention Vehicles for their acquisition of the Retention Notes.

Under its Guidelines accompanying the Japan Due Diligence and Retention Rules, JFSA provides an example of retention of the credit risk in satisfaction of the Appropriate Origination Requirements in another manner if the amount retained is equivalent to or more than the required credit risk. Prospective investors should make their own independent assessment of whether Bluestone's and the Retention Vehicles' retention of the Retention Notes complies with the Japan Due Diligence and Retention Rules. Each Retention Vehicle will obtain debt financing from a lender to finance the holding of the Retention Notes to be held by it and such financing will include granting security over the Retention Notes and Bluestone guaranteeing such financing. Under the Japan Due Diligence and Risk Retention Rules, there is no express prohibition on financing the holding of the Retention Notes.

Any failure to satisfy the Japan Due Diligence and Risk Retention Rules may, amongst other things, have a negative impact on the value and liquidity of the Offered Notes, and otherwise affect the secondary market for the Offered Notes. Failure by the Japanese Affected Investor to satisfy the Japan Due Diligence and Risk Retention Rules may occur if (amongst other things) there is a change in the Japan Due Diligence and Risk Retention Rules or if insufficient interest is held by the originator in the Retention Notes.

Prospective investors should make their own independent investigation and seek their own independent advice (i) as to the applicability and scope of the Japan Due Diligence and Risk Retention Rules; (ii) as to the potential implications of any financing entered into in respect of the Retention Notes; (iii) as to the sufficiency of the information described in this Information Memorandum and which may otherwise be made available to investors and (iv) as to their compliance with Japan Due Diligence and Risk Retention Rules.

None of Bluestone, the Arranger, the Joint Lead Managers, the Dealers, the Swap Provider or the respective Associates or any other party to the Transaction Documents: (i) makes any representation that the performance of the undertakings described above and the information described in this Information Memorandum or any other information which may be made available to investors, are or will be sufficient for the purposes of any Japanese Affected Investor's compliance with the Japan Due Diligence and Risk Retention Rules, (ii) has any liability to any prospective investor or any other person for any insufficiency of such information or any noncompliance by any such person with the Japan Due Diligence and Risk Retention Rules or any other applicable legal, regulatory or other requirements, or (iii) has any obligation to provide any further information or take any other steps that may be required by any Japanese Affected Investor to enable compliance by such person with the requirements of the Japan Due Diligence and Risk Retention Rules or any other applicable legal, regulatory or other requirements.

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

5.35 Coronavirus (COVID-19)

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

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

Generally, domestic and international economic conditions and forecasts are influenced by a number of macro-economic factors, such as: economic growth rates, environmental and social issues (including emerging issues such as payroll compliance and modern slavery risk), cost and availability of capital, central bank intervention, inflation and deflation rates, level of interest rates, yield curves, market volatility, and uncertainty.

Economic conditions may also be negatively impacted by climate change and major shock events, such as natural disasters, epidemics and pandemics, war and terrorism, political and social unrest, and sovereign debt restructuring and defaults

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

The circumstances described above could adversely affect the ability of the Obligor to make timely payments in respect of Purchased Loans. In circumstances where an Obligor has difficulties in making the scheduled payments on his or her loan, the Servicer may elect that the loan be varied on the grounds of hardship (including to defer scheduled payments of principal and interest on the loan for an agreed period). Any failure to make scheduled payments by an Obligor, or a variation of the terms of such scheduled payments in respect of a Purchased Loan on the grounds of hardship, may affect the ability of the Trustee to make payments, and the timing of those payments, in respect of the Notes.

5.36 Physical and transition risks arising from climate change and other environmental impacts may lead to increasing customer defaults and decrease the value of collateral

Extreme weather, increasing weather volatility and longer-term changes in climactic conditions, as well as other environmental impacts such as biodiversity loss and ecosystem degradation, may affect property and asset values or cause customer losses due to damage, crop losses, existing land use ceasing to be viable, and/or interruptions to, or impacts on, business operations and supply chains.

Parts of Australia are prone to, and have recently experienced, physical climate events such as severe drought conditions and bushfires over the 2019/2020 summer period, followed by severe floods in Eastern Australia in early 2021, Queensland and NSW in 2022 and Northern Queensland in 2023. The impact of these extreme weather events can be widespread, extending beyond residents, businesses and primary producers in highly impacted areas, to supply chains in other cities and towns relying on agricultural and other products from within these areas. The impact of these losses may be exacerbated by a decline in the value and liquidity of secured assets in relation to the Purchased Receivables, which may impact the ability to recover funds when Obligor default.

Climate-related transition risks are also increasing as economies, governments and companies seek to transition to low-carbon alternatives and adapt to climate change. Certain customer segments may be adversely impacted as the economy transitions to renewable and low-emissions technology. Decreasing investor appetite and customer demand for carbon intensive products and services, increasing climate-related litigation, and changing regulations and government policies designed to mitigate climate change, may negatively impact revenue and access to capital for some businesses.

These physical and transition risk impacts may lead to increased levels of default by Obligor, affect the value of secured properties in relation to the Purchased Receivables, or result in a deterioration of the economy.

These factors may adversely affect the performance, marketability and overall market value of the Notes.

6. CASHFLOW ALLOCATION METHODOLOGY

6.1 General

This section 6 describes the methodology for the calculation of the amounts to be paid by the Trustee on each Payment Date to, among others, the Noteholders. The Series Notice, subject to the Security Trust Deed, provides for Collections to be allocated and paid on each Payment Date, in accordance with a set order of priorities, to satisfy the Trustee's obligations in relation to the Trust. Those priorities are detailed in this section 6.

6.2 Collections and Payment

Collections will be received during each Collection Period. Primarily, Collections are derived from interest and principal receipts from the Purchased Loans. Other sources of Collections include proceeds of enforcement of Mortgages and payments in respect of breaches of representations or undertakings given to the Trustee.

On or before each Payment Date, the Trust Manager will calculate or otherwise ascertain the Collections received for the Collection Period immediately before that Payment Date, expenses that have accrued during that Collection Period and calculations necessary to make allocations and distributions as described in this section 6 (including Interest payable to Noteholders for the relevant Interest Period).

6.3 Redraws

- (a) Subject to the limitations referred to in this section 6.3, if a Borrower makes Additional Repayments in relation to a Purchased Loan then the Trustee must provide a Redraw to the Borrower upon being so directed by the Trust Manager in its absolute discretion (or reimburse the Servicer for any such Redraw funded by the Servicer on the Trustee's behalf) and subject to the Trust Manager being satisfied that:
 - (i) the Redraw to be provided to the Borrower together with the current Unpaid Balance of the relevant Purchased Loan will not exceed the Scheduled Balance of the Purchased Loan;
 - (ii) the Purchased Loan is not in Arrears at the time of the request for the Redraw by the Borrower.
- (b) The Trustee must provide a Capitalisation Advance to a Borrower in respect of a Loan upon being so directed by the Trust Manager in its absolute discretion.
- (c) The Trust Manager must not direct the Trustee to fund a Redraw (or reimburse the Servicer for a Redraw funded by it on the Trustee's behalf) as described in section 6.11 for a Collection Period if the Trust Manager determines that:
 - (i) the Trustee does not have available Principal Collections to provide that Redraw (or reimbursement to the Servicer);
 - (ii) the aggregate amount of all such Redraws during that Collection Period would exceed 80% of the amounts

expected to be standing to the credit of the Collection Account at the end of that Collection Period in the nature of Principal; or

- (iii) after payment of any such Redraw the amount standing to the credit of the Collection Account is less than 120% of the expected Total Payments for that Collection Period.

6.4 Determination Date – Payment Shortfall

If the Trust Manager determines on any Determination Date that there is a Payment Shortfall for the relevant Collection Period the Trust Manager must direct the Trustee to, and if so directed the Trustee must, pay out of Principal Collections, as a distribution as described in section 6.11(a)(i), an amount (the ***Principal Draw***) equal to the lesser of:

- (a) the Payment Shortfall; and
- (b) the amount of Principal Collections available for distribution on the Payment Date following that Determination Date,

and allocate that Principal Draw to Total Available Funds to be applied on that Payment date.

6.5 Determination Date - Liquidity Shortfall

If the Trust Manager determines on any Determination Date that there is a Liquidity Shortfall for the relevant Collection Period, the Trust Manager must on that Determination Date direct the Trustee to make a Liquidity Draw on or before the Payment Date following that Determination Date an amount equal to the lesser of:

- (a) the Liquidity Shortfall; and
- (b) the:
 - (i) Liquidity Limit on that Determination Date; less
 - (i) the Liquidity Principal Outstanding on that Determination Date,

and allocate that Liquidity Draw to the Total Available Funds to be applied on that Payment Date.

The Trustee must, if so directed by the Trust Manager but subject to the terms of the Liquidity Facility Agreement, make that Liquidity Draw and have the proceeds of the Liquidity Draw deposited into the Collection Account on or before 11:00 am (Sydney time) on the relevant Payment Date. The Trust Manager must deal with the amount so deposited in accordance with Transaction Documents.

6.6 Allocating Mortgage Shortfalls

On each Determination Date, the Trust Manager must determine, in relation to the aggregate of all Mortgage Shortfalls arising during that Collection Period:

- (a) the amount of those Mortgage Shortfalls which is attributable to interest, fees and expenses in relation to the relevant Purchased Loans (***Income Loss***); and
- (b) the amount of those Mortgage Shortfalls which is attributable to principal in relation to the relevant Purchased Loans (***Principal Loss***),

on the basis that all amounts actually received by or on behalf of the Trustee in relation to a Purchased Loan are applied in the following order of priority:

- (a) first, to outstanding fees and expenses (including Fee Receipts);
- (b) next, to Property Restoration Expenses;
- (c) next, to other Enforcement Expenses;
- (d) next, to interest; and
- (e) next, to the Loan Amount,

in each case relating to that Purchased Loan.

6.7 Remittance of moneys

- (a) The Servicer must deposit, and the Trust Manager must use its best endeavours to procure that the Servicer deposits, in the Collection Account all Collections received by it by 5.00pm on the date of receipt of those Collections (or, where those Collections are received on or after 3.00pm on any day, by no later than 9.30am on the following Business Day).
- (b) The Trust Manager must direct the Trustee to, and if so directed the Trustee must:
 - (i) apply amounts credited to the Collection Account in making payments in discharge of the Trustee's obligations as described in this section 6; and
 - (ii) make the applications and reinstatements required as described in this section 6.

6.8 Payment - Purchase Price Adjustment

Each Approved Seller shall make the relevant Purchase Price Adjustment for Purchased Loans sold by it to the Trustee on the relevant Payment Date. The ***Purchase Price Adjustment*** shall be an amount equal to any Principal Collections received by the Approved Seller in relation to the relevant Purchased Loans from the close of business on the Cut-Off Date for those Purchased Loans to but excluding the Closing Date for those Purchased Loans.

6.9 Income Payments

- (a) To the extent that any Total Available Funds remain from which to make the payment after amounts with priority to that payment have been distributed on each Payment Date, and based on the calculations and instructions provided to it by the Trust Manager, the Trustee must pay out of Total Available Funds, in relation to the Collection Period ending immediately before that Payment Date, the following amounts in the following order of priority:
- (i) first – at the Trust Manager's discretion, up to \$1 to each Residual Income Unit Holder, to be dealt with and held by the Residual Income Unit Holder in its absolute discretion;
 - (ii) next – to the Accrued Interest Adjustment required to be paid to an Approved Seller and then outstanding (the Trustee acknowledges and agrees that it has no entitlement to the moneys comprising any Interest Adjustment);
 - (iii) next – payment of any Taxes payable in relation to the Trust (not including any GST covered in paragraph (b));
 - (iv) next – payment (in the following order of priority) of:
 - A. the Trustee's Fee and the Security Trustee's Fee for the Collection Period and any accrued but unpaid Trustee Fees and Security Trustee Fees from previous Collection Periods and all other amounts due but unpaid to the Trustee and the Security Trustee under the Transaction Documents (as adjusted in accordance with paragraph (b) and other than any amounts referred to in another sub-paragraph of this paragraph (a));
 - B. the Trust Manager's Fee for the Collection Period;
 - C. the Expenses (other than the Trustee's Fee, the Security Trustee's Fee, the Trust Manager's Fee, the Servicer Fee and other than amounts referred to in sub-paragraph (v) and Enforcement Expenses referred to in sub-paragraph (vii)) in relation to the Collection Period; and
 - D. the Expenses (other than the Servicer Fee and other than amounts referred to in sub-paragraph (v) and Enforcement Expenses referred to in sub-paragraph (vii)) not covered by sub-paragraphs (A), (B) or (C) which have already been incurred prior to that Payment Date but which have not previously been paid or reimbursed;
 - (v) next – *pari passu* and rateably:

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- A. payment to the Servicer of the Servicer Fee (inclusive of GST);
 - B. payment to the Back-up Servicer of the Back-up Servicer Fee; and
 - C. unless a Swap Provider Event of Default is subsisting, payment to the Swap Provider of any amounts (including fees) payable by the Trustee under the Swap Agreement (including any break costs payable under the Swap Agreement but only to the extent the Trustee has recovered the applicable Prepayment Costs in respect of the relevant Purchased Loan from the related Borrower); and
 - D. to the extent not paid previously, payment to the Liquidity Facility Provider in reimbursement of any interest and fees payable by the Trustee to the Liquidity Facility Provider on or prior to that Payment Date under the Liquidity Facility Agreement;
- (vi) next – payment to the Liquidity Facility Provider in reimbursement of any outstanding Liquidity Draws made before the Determination Date immediately preceding that Payment Date;
 - (vii) next – in payment of any Enforcement Expenses due to be reimbursed to the Servicer;
 - (viii) next – ***pari passu***, payment of any Interest for the Class A1 Notes for the relevant Interest Period which ends on the Payment Date, together with all other accrued but unpaid Interest on the Class A1 Notes, and all Interest capitalised as described in section 2.2(g) in relation to the Class A1 Notes (without double counting), to the Class A1 Noteholders;
 - (ix) next – ***pari passu***, payment of any Interest for the Class A2 Notes for the relevant Interest Period which ends on the Payment Date, together with all other accrued but unpaid Interest on the Class A2 Notes, and all Interest capitalised as described in section 2.2(g) in relation to the Class A2 Notes (without double counting), to the Class A2 Noteholders;
 - (x) next – ***pari passu***, payment of any Senior Interest for the Class B Notes for the relevant Interest Period which ends on the Payment Date, together with all other accrued but unpaid Senior Interest on the Class B Notes, and all Senior Interest capitalised as described in section 2.2(g) in relation to the Class B Notes (without double counting), to Class B Noteholders;

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- (xi) next – *pari passu*, payment of any Senior Interest for the Class C Notes for the relevant Interest Period which ends on the Payment Date, together with all other accrued but unpaid Senior Interest on the Class C Notes and all Senior Interest capitalised as described in section 2.2(g) in relation to the Class C Notes (without double counting), to Class C Noteholders;
 - (xii) next – *pari passu*, payment of any Senior Interest for the Class D Notes for the relevant Interest Period which ends on the Payment Date, together with all other accrued but unpaid Senior Interest on the Class D Notes and all Senior Interest capitalised as described in section 2.2(g) in relation to the Class D Notes (without double counting), to Class D Noteholders; and
 - (xiii) next – *pari passu*, payment of any Senior Interest for the Class E Notes for the relevant Interest Period which ends on the Payment Date, together with all other accrued but unpaid Senior Interest on the Class E Notes, and all Senior Interest capitalised as described in section 2.2(g) in relation to the Class E Notes (without double counting), to Class E Noteholders;
- (b) In relation to any supply by the Trustee under the Transaction Documents of goods or services in relation to the Trust, the fee payable will be adjusted to take into account any change after 1 July 2000 in the rate of GST payable pursuant to the A New Tax System (Goods and Services Tax Imposition – General) Act 1999.
 - (c) Interest to which any Noteholder may be entitled in respect of a Note for an Interest Period shall only fall due for payment by the Trustee to the Noteholder upon the applicable Payment Date.
 - (d) Notwithstanding paragraph (a), at any time during the first Collection Period, the Trust Manager may direct the Trustee to, and on that direction the Trustee must, apply Finance Charge Collections for that Collection Period from the Collection Account to pay all or any amount of the Accrued Interest Adjustment required to be paid to an Approved Seller and then outstanding (the Trustee acknowledges and agrees that it has no entitlement to the moneys comprising any Interest Adjustment) provided that the Trust Manager is reasonably satisfied that such Finance Charge Collections are available to the Trustee to pay such amount.

6.10 Excess Available Income

- (a) To the extent that any Excess Available Income remains from which to make the payment after amounts with priority to that payment have been distributed, on each Determination Date the Trust Manager must calculate any Excess Available Income for the Collection Period relating to that Determination Date and on the following Payment Date, and based on those calculations, the Trust Manager must direct the Trustee to, and the Trustee must, pay out of that Excess Available Income the following payments in the following order of priority:

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- (i) first – as Principal Collections until the amount so applied equals the Outstanding Principal Draws on that Payment Date;
 - (ii) next – as Principal Collections for that Collection Period until the amount so applied equals all Principal Charge Offs in respect of that Collection Period;
 - (iii) next – payment to the Principal Repayment Pool until the amount so applied equals the aggregate of the Carryover Class A1 Charge Offs;
 - (iv) next – payment to the Principal Repayment Pool until the amount so applied equals the aggregate of the Carryover Class A2 Charge Offs;
 - (v) next – payment to the Principal Repayment Pool until the amount so applied equals the aggregate of the Carryover Class B Charge Offs;
 - (vi) next – payment to the Principal Repayment Pool until the amount so applied equals the aggregate of the Carryover Class C Charge Offs;
 - (vii) next – payment to the Principal Repayment Pool until the amount so applied equals the aggregate of the Carryover Class D Charge Offs;
 - (viii) next – payment to the Principal Repayment Pool until the amount so applied equals the aggregate of the Carryover Class E Charge Offs;
 - (ix) next – payment to the Principal Repayment Pool until the amount so applied equals the aggregate of the Carryover Class G1 Charge Offs;
 - (x) next – payment to the Principal Repayment Pool until the amount so applied equals the aggregate of the Carryover Class G2 Charge Offs;
 - (xi) next – ***pari passu***, payment of any Residual Interest for the Class B Notes for the relevant Interest Period which ends on the Payment Date, together with all other accrued but unpaid Residual Interest on the Class B Notes and all Residual Interest capitalised under section 2.2(g) in relation to the Class B Notes, to Class B Noteholders;
 - (xii) next – ***pari passu***, payment of any Residual Interest for the Class C Notes for the relevant Interest Period which ends on the Payment Date, together with all other accrued but unpaid Residual Interest on the Class C Notes and all Residual Interest capitalised under section 2.2(g) in relation to the Class C Notes, to Class C Noteholders;
 - (xiii) next – ***pari passu***, payment of any Residual Interest for the Class D Notes for the relevant Interest Period which ends on

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- the Payment Date, together with all other accrued but unpaid Residual Interest on the Class D Notes and all Residual Interest capitalised under section 2.2(g) in relation to the Class D Notes, to Class D Noteholders;
- (xiv) next – ***pari passu***, payment of any Residual Interest for the Class E Notes for the relevant Interest Period which ends on the Payment Date, together with all other accrued but unpaid Residual Interest on the Class E Notes and all Residual Interest capitalised under section 2.2(g) in relation to the Class E Notes, to Class E Noteholders;
- (xv) next - towards the Extraordinary Expense Reserve until the amount standing to the credit of the Extraordinary Expense Reserve equals the Extraordinary Expense Reserve Target Balance;
- (xvi) next – towards any break costs payable by the Trustee to the Swap Provider under the Swap Agreement (to the extent not previously paid);
- (xvii) next – towards any other amounts (including fees) payable by the Trustee under the Swap Agreement;
- (xviii) next – if the relevant Payment Date occurs on or after the Call Date:
- A. first, an amount up to or equal to the Amortisation Amount to be applied in accordance with section 6.12(c); and
- B. next, the balance to be paid, *pari passu*, to the Residual Income Unit Holders as a distribution on the Residual Income Units in proportion to their respective Income Percentages;
- (xix) next – ***pari passu***, Increased Costs (if any) due but unpaid on that Payment Date;
- (xx) next – ***pari passu***, payment of any Interest for the Class G1 Notes for the relevant Interest Period which ends on the Payment Date, together with all other accrued but unpaid Interest on the Class G1 Notes, and all Interest capitalised as described in section 2.2(g) in relation to the Class G1 Notes, to Class G1 Noteholders;
- (xxi) next – ***pari passu***, payment of any Interest for the Class G2 Notes for the relevant Interest Period which ends on the Payment Date, together with all other accrued but unpaid Interest on the Class G2 Notes, and all Interest capitalised as described in section 2.2(g) in relation to the Class G2 Notes, to Class G2 Noteholders;
- (xxii) next - if a Threshold Rate Subsidy is determined in respect of that Payment Date in accordance with section 7.2(b), towards the amount of that Threshold Rate Subsidy; and

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- (xxiii) next – ***pari passu***, payment of the balance (after reserving for any applicable taxes), to the Residual Income Unit Holders as a distribution on the Residual Income Units in proportion to their respective Income Percentages.
 - (b) The Trustee shall only make a payment under any of sub-paragraphs (a)(i) to (a)(xxv) inclusive to the extent that any Excess Available Income remains from which to make the payment after amounts with priority to that payment have been distributed.
 - (c) Interest to which any Noteholder may be entitled in respect of a Note for an Interest Period shall only fall due for payment by the Trustee to the Noteholder upon the applicable Payment Date.
 - (d) The Trustee may not recover any amount paid to a Beneficiary as described in paragraph (a) from a Beneficiary once it is paid to that Beneficiary except where there has been an error in the relevant calculation of that amount.

6.11 Initial principal distributions

- (a) Subject to paragraph (b), on each Payment Date, and based on the calculations and instructions provided to it by the Trust Manager, the Trustee must distribute out of Principal Collections, in relation to the Collection Period ending immediately before that Payment Date, the following amounts in the following order of priority:
 - (i) first, to allocate to Total Available Funds any Principal Draw as described in section 6.4;
 - (ii) next, to make any Redraws (or reimburse the Servicer for Redraws funded by it on the Trustee's behalf) as described in section 6.3; and
 - (iii) next, to be paid to the Principal Repayment Pool.
- (b) The Trustee shall only make a payment under any of sub-paragraphs (a)(i) to (a)(iii) (inclusive) to the extent that any Principal Collections remain from which to make the payment after amounts with priority to that payment have been distributed.

6.12 Principal Repayment Pool

- (a) If the Stepdown Criteria are satisfied on a Determination Date, any amounts allocated to the Principal Repayment Pool with respect to a Payment Date must be applied by the Trustee, based on the instructions given by the Trust Manager in the following order of priority:
 - (i) first – ***pari passu*** and rateably to:
 - A. the Class A1L Noteholders in payment of the Principal Amount of the Class A1L Notes until such time as all Class A1L Notes have been redeemed;

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- B. the Class A2 Noteholders in payment of the Principal Amount of the Class A2 Notes until such time as all Class A2 Notes have been redeemed;
 - C. the Class B Noteholders in payment of the Principal Amount of the Class B Notes until such time as all Class B Notes have been redeemed;
 - D. the Class C Noteholders in payment of the Principal Amount of the Class C Notes until such time as all Class C Notes have been redeemed;
 - E. the Class D Noteholders in payment of the Principal Amount of the Class D Notes until such time as all Class D Notes have been redeemed;
 - F. the Class E Noteholders in payment of the Principal Amount of the Class E Notes until such time as all Class E Notes have been redeemed; and
 - G. as an allocation to the Turbo Principal Allocation, an amount equal to the payment that would be made to the Class G Noteholders if the Class G Noteholders were receiving a payment of principal on the Class G Notes under this subparagraph H until such time as all Class G Notes would have been redeemed; and
- (ii) next – to the extent of any surplus to be distributed on termination of the Trust:
- A. first, in repaying the subscription amount of each Residual Capital Unit *pari passu* and rateably amongst the Residual Capital Unit Holders; and
 - B. second, payment of the balance to the Residual Income Unit Holders as a distribution of capital in proportion to their respective Income Percentages.
- (b) If the Stepdown Criteria are not satisfied on a Determination Date, any amounts allocated to the Principal Repayment Pool with respect to a Payment Date must be applied by the Trustee, on direction from the Trust Manager in the following order of priority:
- (i) first - *pari passu* to the Class A1S Noteholders in payment of the Principal Amount of the Class A1S Notes until such time as all Class A1S Notes have been redeemed;
 - (ii) next - *pari passu* to the Class A1L Noteholders in payment of the Principal Amount of the Class A1L Notes until such time as the Class A1L Notes have been redeemed;

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- (iii) next - ***pari passu*** to the Class A2 Noteholders in payment of the Principal Amount of the Class A2 Notes until such time as the Class A2 Notes have been redeemed;
 - (iv) next – ***pari passu*** to the Class B Noteholders in payment of the Principal Amount of the Class B Notes until such time as all Class B Notes have been redeemed;
 - (v) next – ***pari passu*** to the Class C Noteholders in payment of the Principal Amount of the Class C Notes until such time as all Class C Notes have been redeemed;
 - (vi) next – ***pari passu*** to the Class D Noteholders in payment of the Principal Amount of the Class D Notes until such time as all Class D Notes have been redeemed;
 - (vii) next – ***pari passu*** to the Class E Noteholders in payment of the Principal Amount of the Class E Notes until such time as all Class E Notes have been redeemed;
 - (viii) next – ***pari passu*** to the Class G1 Noteholders in payment of the Principal Amount of the Class G1 Notes until such time as all Class G1 Notes have been redeemed;
 - (ix) next – ***pari passu*** to the Class G2 Noteholders in payment of the Principal Amount of the Class G2 Notes until such time as all Class G2 Notes have been redeemed;
 - (x) next – to the extent of any surplus to be distributed on termination of the Trust:
 - A. first, in repaying the subscription amount of each Residual Capital Unit ***pari passu*** and rateably amongst the Residual Capital Unit Holders; and
 - B. second, payment of the balance to the Residual Income Unit Holders as a distribution of capital in proportion to their respective Income Percentages.
 - (c) On each Payment Date, the Trust Manager must direct the Trustee to apply the Amortisation Amount (if any) for that Payment Date ***pari passu*** and rateably amongst all Rated Notes (based on the Stated Amounts of the Rated Notes on the immediately preceding Determination Date) in payment of principal on the Rated Notes until such time as all Rated Notes have been redeemed in full.
 - (d) The Trustee shall only make a payment under any of the sub-paragraphs in paragraphs (a), (b) and (c) inclusive to the extent that any amounts remain from which to make the payment after amounts with priority to that payment have been distributed.

6.13 Notional reimbursement of Charge Offs

- (a) Subject to paragraph (b), on each Determination Date, the Trust Manager must notionally apply the amount of any Excess Available

Income which will be applied to the Principal Repayment Pool on the Payment Date following that Determination Date as described in sections 6.10(a)(iii) to (x) (inclusive) in the following order of priority:

- (i) first, towards reinstating the Stated Amount of the Class A1 Notes, to the extent of Carryover Class A1 Charge Offs (*pari passu* and rateably between the Class A1S Notes and the Class A1L Notes);
 - (ii) next, towards reinstating the Stated Amount of the Class A2 Notes, to the extent of Carryover Class A2 Charge Offs;
 - (iii) next, towards reinstating the Stated Amount of the Class B Notes, to the extent of Carryover Class B Charge Offs;
 - (iv) next, towards reinstating the Stated Amount of the Class C Notes, to the extent of Carryover Class C Charge Offs;
 - (v) next, towards reinstating the Stated Amount of the Class D Notes, to the extent of Carryover Class D Charge Offs;
 - (vi) next, towards reinstating the Stated Amount of the Class E Notes, to the extent of Carryover Class E Charge Offs;
 - (vii) next, towards reinstating the Stated Amount of the Class G1 Notes, to the extent of Carryover Class G1 Charge Offs; and
 - (viii) next, towards reinstating the Stated Amount of the Class G2 Notes, to the extent of Carryover Class G2 Charge Offs.
- (b) The Trust Manager shall only make a notional application under any of sub-paragraphs (a)(i) to (a)(ix) inclusive to the extent that any notional amount of Total Available Funds or Excess Available Income, as the case may be, remains from which to make the application after amounts with priority to that payment have been applied.

6.14 Early redemption of Notes

On the Call Date or any Payment Date which occurs after the Call Date, the Trustee shall, if so directed in writing by the Trust Manager, redeem all (but not some) of the Notes. The Trust Manager must only direct the Trustee to so redeem the Notes subject to the following conditions:

- (a) the Trust Manager has provided not less than 5 days prior written notice to:
 - (i) the Trustee;
 - (ii) each Noteholder; and
 - (iii) each Designated Rating Agency,of the Trust Manager's intention to direct the Trustee to redeem the Notes as described in this section 6.14;
- (b) the Trustee having sufficient cash to make such repayment (upon which the Trustee may rely conclusively on a certification from the

Trust Manager), including by disposing of some or all of the Purchased Loans;

- (c) the Trustee retaining such amount as the Trust Manager reasonably determines, and notifies to the Trustee, will be necessary to satisfy any outstanding or anticipated Expenses or payment to any Noteholder in respect of a Note; and
- (d) each Note must be redeemed at its Principal Amount, or at such lesser amount as an Extraordinary Resolution of Noteholders of the relevant Class of Notes otherwise agrees, together with any outstanding Interest in relation to that Note.

6.15 Charge Offs

If on any Determination Date, a Principal Shortfall exists in relation to the relevant Collection Period, the Trust Manager must calculate on that Determination Date each of the amounts described in sub-paragraph (a) to (j) (inclusive) below as applicable and:

- (a) debit the Amortisation Ledger on the relevant Determination Date by the lesser of the amount of the Principal Shortfall and the credit balance of the Amortisation Ledger Balance on that Determination Date;
- (b) if the Amortisation Ledger Balance is zero after application of paragraph (a) and any amount of the Principal Shortfall has not been applied as described in paragraph (a), reduce ***pari passu*** the Class G2 Stated Amount of each of the Class G2 Notes on the relevant Determination Date until the Class G2 Stated Amount is zero (***Class G2 Charge Offs***);
- (c) if the Class G2 Stated Amount is zero and any amount of the Principal Shortfall has not been applied as described in paragraph (b), reduce ***pari passu*** the Class G1 Stated Amount of each of the Class G1 Notes on the relevant Determination Date until the Class G1 Stated Amount is zero (***Class G1 Charge Offs***);
- (d) if the Class G1 Stated Amount is zero and any amount of the Principal Shortfall has not been applied as described in paragraph (c), reduce ***pari passu*** the Class E Stated Amount of each of the Class E Notes on the relevant Determination Date until the Class E Stated Amount is zero (***Class E Charge Offs***);
- (e) if the Class E Stated Amount is zero and any amount of the Principal Shortfall has not been applied as described in paragraph (d), reduce ***pari passu*** the Class D Stated Amount of each of the Class D Notes on the relevant Determination Date until the Class D Stated Amount is zero (***Class D Charge Offs***);
- (f) if the Class D Stated Amount is zero and any amount of the Principal Shortfall has not been applied as described in paragraph (e), reduce ***pari passu*** the Class C Stated Amount of each of the Class C Notes on the relevant Determination Date until the Class C Stated Amount is zero (***Class C Charge Offs***);

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- (g) if the Class C Stated Amount is zero and any amount of the Principal Shortfall has not been applied as described in paragraph (f), reduce ***pari passu*** the Class B Stated Amount of each of the Class B Notes on the relevant Determination Date until the Class B Stated Amount is zero (***Class B Charge Offs***);
 - (h) if the Class B Stated Amount is zero and any amount of the Principal Shortfall has not been applied as described in paragraph (g), reduce ***pari passu*** the Class A2 Stated Amount of each of the Class A2 Notes on the relevant Determination Date until the Class A2 Stated Amount is zero (***Class A2 Charge Offs***); and
 - (i) if the Class A2 Stated Amount is zero and any amount of the Principal Shortfall has not been applied as described in paragraph (h), reduce ***pari passu*** the Class A1 Stated Amount of each of the Class A1 Notes on the relevant Determination Date until the Class A1 Stated Amount is zero (***Class A1 Charge Offs***).

Each of the amounts applied in reduction of the Stated Amounts of the relevant Notes as described in this section 6.15 will be applied prior to the application of the Total Available Funds as described in section 6.9 on the relevant Payment Date.

6.16 Limitations on payments

A Noteholder shall not be entitled to receive any amounts other than:

- (a) the Interest payable on; and
- (b) the Principal Amount of,

Notes held by that Noteholder.

6.17 Rounding of amounts

In making the calculations required or contemplated as described in this section 6, the Trust Manager shall round calculations to four decimal places, except that all monetary amounts shall be rounded down to the nearest cent.

6.18 Broker Trails

The Trustee may, during a Collection Period and at the direction of the Trust Manager, pay any Broker Trails due in respect of any Purchased Loans during that Collection Period. The Trust Manager must not give such a direction unless the amount so payable by the Trustee during a Collection Period is less than or equal to 0.30% per annum, or the applicable Broker Trails rate per annum, of the Loan Amount (calculated as of the first day of that Collection Period) of all Purchased Loans which have no more than 60 Arrears Days and in relation to which Broker Trails apply.

6.19 Allocation of receipts

The Trust Manager must procure that all amounts paid in respect of any Purchased Loan (other than Liquidation Proceeds) are allocated:

- (a) first, to Expenses;

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- (b) next, to Finance Charge Collections in the following order of priority:
 - (i) first, toward arrears interest and fees; and
 - (ii) second, toward current period interest and fees;
 - (c) next, to scheduled principal repayments under the Purchased Loan in the following order of priority:
 - (i) first, toward arrears principal; and
 - (ii) second, toward current period principal;
 - (d) next, to Sundry Fees in the following order of priority:
 - (i) first, toward arrears Sundry Fees; and
 - (ii) second, toward current period Sundry Fees; and
 - (e) next, to all other Principal Collections.

Any Sundry Fees received by or on behalf of the Trustee will be applied in accordance with the Servicing Agreement.

6.20 Distribution of Turbo Principal Allocation

On each Determination Date prior to the occurrence of an Event of Default and enforcement of the General Security Agreement, the Trust Manager must direct the Trustee to pay (and the Trustee must pay) on the Payment Date immediately following that Determination Date the Turbo Principal Allocation (if any) in respect of that Determination Date, after application of the Total Available Principal as described in Section 6.12, in the following order of priority:

- (a) first, to the Class E Noteholders in payment of principal on the Class E Notes, until such time as all Class E Notes have been redeemed;
- (b) next, to the Class D Noteholders in payment of principal on the Class D Notes, until such time as all Class D Notes have been redeemed;
- (c) next, to the Class C Noteholders in payment of principal on the Class C Notes, until such time as all Class C Notes have been redeemed;
- (d) next, to the Class B Noteholders in payment of principal on the Class B Notes, until such time as all Class B Notes have been redeemed;
- (e) next, to the Class A2 Noteholders in payment of principal on the Class A2 Notes, until such time as all Class A2 Notes have been redeemed;
- (f) next, to the Class A1L Noteholders in payment of principal on the Class A1L Notes, until such time as all Class A1L Notes have been redeemed;
- (g) next, to the Class A1S Noteholders in payment of principal on the Class A1S Notes, until such time as all Class A1S Notes have been redeemed;

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- (h) next, to the Class G1 Noteholders in payment of principal on the Class G1 Notes, until such time as all Class G1 Notes have been redeemed; and
 - (i) next, to the Class G2 Noteholders in payment of principal on the Class G2 Notes, until such time as all Class G2 Notes have been redeemed.

6.21 Extraordinary Expense Reserve

- (a) The Trust Manager, on behalf of the Trustee, shall, on or prior to the Closing Date, establish as a separate ledger of the Collection Account an Extraordinary Expense Reserve to which amounts may be credited, or from which amounts may be drawn.
- (b) On or prior to the Closing Date, Bluestone (or a Related Body Corporate of Bluestone) must deposit an amount equal to the Extraordinary Expense Reserve Target Balance to the credit of the Extraordinary Expense Reserve.
- (c) If the Trust Manager determines on any Determination Date that there are any Extraordinary Expenses for the relevant Collection Period, the Trust Manager must direct the Trustee to, and if so directed the Trustee must, draw from the Extraordinary Expense Reserve on or before the Payment Date following that Determination Date an amount (the **Extraordinary Expense Reserve Draw**) equal to the lesser of:
 - (i) those Extraordinary Expenses; and
 - (ii) the amount standing to the credit of the Extraordinary Expense Reserve on that Determination Date,and allocate that Extraordinary Expense Reserve Draw to Total Available Funds to be applied on that Payment Date.
- (d) On the earlier of the Maturity Date and the date on which all Class A Notes are redeemed in full, the Trust Manager must direct the Trustee to, and on such direction the Trustee must, pay all amounts standing to the credit of the Extraordinary Expense Reserve to Bluestone (or a Related Body Corporate of Bluestone).
- (e) The Trust Manager must direct the Trustee to, and on such direction the Trustee must, apply all interest which accrues in relation to the Extraordinary Expense Reserve as Available Income for the Collection Period in which it is received or otherwise credited.
- (f) The Trust Manager shall not (while any Rated Notes are outstanding) direct the Trustee to, and the Trustee shall not, make any withdrawal from the Extraordinary Expense Reserve except:
 - (i) under paragraphs (c), (d) or (e); or
 - (iii) to a new Collection Account if the Collection Account is changed in accordance with the Transaction Documents.

6.22 Amortisation Ledger

The Trust Manager must maintain a financial record (the ***Amortisation Ledger***) on which the Trust Manager will record on each Payment Date:

- (a) as a credit to the Amortisation Ledger, the amount applied under section 6.10(a)(xviii)A on that Payment Date; and
- (b) as a debit to the Amortisation Ledger, the amount (if any) allocated under section 6.15(a) on the Determination Date immediately preceding that Payment Date.

7. THE TRUST

7.1 The Trust

(a) Creation of Trust

The Trust was established on 14 May 2024 by the Notice of Creation of Trust entered into under the Master Trust Deed. The specific terms of the Trust are governed by the Series Notice. The assets of the Trust are not available to meet the liabilities of any other trust formed under the Master Trust Deed. The assets of any other trust formed under the Master Trust Deed are not available to meet the liabilities of the Trust.

(b) The Role of the Trustee

The Trustee is appointed as trustee of the Trust on the terms set out in the Master Trust Deed and the Series Notice.

(c) Powers

Subject to the Master Trust Deed, the Trustee has all the rights, powers and discretions over and in respect of the assets of the Trusts which it could exercise if it were the absolute and beneficial owner of those assets. These powers include the ability to invest in Authorised Investments (including Loans and related Mortgages), to issue Notes and to enter into Support Facilities.

Details of Trustee powers are set out in clause 21 of the Master Trust Deed.

(d) Duties

The Trustee is required to act honestly and in good faith and to exercise such diligence and prudence as a prudent person of business would exercise in performing its express functions and in exercising its discretions under the Master Trust Deed. It must keep each “Trust” created under the Master Trust Deed separate from the others and do everything necessary to ensure it can comply with its obligations under the Transaction Documents.

In particular the Trustee has the duty to maintain a Register of Noteholders and of Authorised Investments and to cause accounting records to be kept, or ensure that the Trust Manager keeps accounting records, which correctly record and explain all amounts paid and received by the Trustee.

The Trustee is required to act continuously as trustee of the Trust until the Trust is terminated as provided by the Master Trust Deed or the Trustee has retired or been removed from office in the manner detailed below.

Each Noteholder acknowledges that:

- (i) the Trustee has no duty, and is under no obligation, to investigate whether a Trust Manager's Default or Servicer

Transfer Event has occurred in relation to the Trust other than where it has actual notice;

- (ii) the Trustee is required to provide the notices referred to in the Master Trust Deed in respect of a determination of Adverse Effect only if it is actually aware of the facts giving rise to the Adverse Effect; and
- (iii) in making any such determination, the Trustee will seek and rely on advice given to it by its advisors in a manner contemplated by the Master Trust Deed.

The Trustee is entitled to rely conclusively on, and is not required to investigate the accuracy of:

- A. the contents of a Sale Notice given to it by an Approved Seller;
- B. the contents of any report given to it by the Trust Manager or the Servicer;
- C. any calculations made by an Approved Seller, the Servicer or the Trust Manager including the calculation of amounts to be paid to or charged against, the Noteholders;
- D. the amount of, or allocation of, Collections; or
- E. the contents of any certificate provided to the Trustee under the Master Trust Deed or any certificate given by the Trust Manager or the Servicer,

unless the Trustee is actually aware of any inaccuracy. The Trustee is not liable to any person in any manner whatsoever in respect of these matters.

The Master Trust Deed also contains other provisions which regulate the Trustee's liability. In the absence of fraud, negligence or wilful misconduct, the Trustee is not liable to any person for any losses, costs, liabilities or expenses arising out of the exercise or non exercise of its discretions (or by the Trust Manager of its discretions) or caused by its acting on any instructions, information or directions given to it by the Trust Manager, the Servicer or an Approved Seller. The Trustee is also not liable for any Trust Manager's Default, any Insolvency Event with respect to an Approved Seller, any act, omission or default of the Servicer in relation to its obligations under the Servicing Agreement, acting in accordance with a resolution of Noteholders as provided under the Transaction Documents or relying in good faith on any expert advice.

(e) **Delegation**

In exercising its powers and performing its obligations and duties under the Master Trust Deed, the Trustee may, with the approval of the Trust Manager (not to be unreasonably withheld) and subject always to the covenants on the part of the Trustee contained in the Master Trust

Deed and the Series Notice, from time to time by instrument in writing appoint one or more corporations each being:

- (i) a corporation which is a Related Body Corporate of the Trustee; and
- (ii) which is a trustee company or trustee corporation for the purposes of any State or Territory legislation governing the operation of trustee companies,

as its delegate (or, where two or more such corporations are appointed as its delegate, jointly and severally) to undertake, perform or discharge any or all of the duties, powers, discretions or other functions of the Trustee under the Master Trust Deed, the Series Notice or otherwise in relation to a Trust.

The Trustee and/or the corporation (as the case may be) may by the terms of any such appointment insert such provisions for the protection and convenience of those dealing with any such corporation as the Trustee and/or the corporation thinks fit but the Trustee shall despite any such appointment remain liable for any act or omission of any such corporation as if any such act or omission were an act or omission of the Trustee.

The Trustee shall be responsible for payment of the fees and expenses of any corporation so appointed.

The Trustee may in carrying out and performing its duties and obligations contained in the Master Trust Deed appoint any person to be its attorney, agent or delegate for such purposes and with such powers, authorities and discretions (not exceeding those vested in the Trustee) as the Trustee thinks fit including, without limitation:

- (i) power for the attorney or agent to delegate or sub-delegate any such powers, authorities or discretions;
- (ii) power to authorise the issue in the name of the Trustee documents bearing facsimile signatures of the Trustee or of the attorney or agent (either with or without proper manuscript signatures of their officers); and
- (iii) such provisions for the protection and convenience of those dealing with any such attorney, agent, delegate or sub-delegate as they may think fit,

but excluding the obligation to receive or make payments. Provided that the Trustee uses due care in the selection and supervision of any attorney, agent or delegate, the Trustee shall not be liable for any act or omission of such attorney, agent or delegate except if the attorney, agent or delegate is a Related Body Corporate of the Trustee.

(f) **Trustee Fee and Expenses**

The Trustee is entitled to the Trustee's Fee (adjusted for GST).

The Trustee is also entitled to be reimbursed out of the assets of the Trust for all expenses incurred by it in the administration and operation of the Trust under the Transaction Documents (but not general overhead costs and expenses).

(g) **Removal of the Trustee**

The Trustee is required to retire as trustee after a direction from the Trust Manager following a **Trustee's Default**. A Trustee's Default occurs if:

- (i) an Insolvency Event has occurred and is continuing in relation to the Trustee;
- (ii) any action (not required or contemplated by the Master Trust Deed or any other Transaction Document) is taken by or in relation to the Trustee which causes a Note Downgrade for any Notes;
- (iii) the Trustee, or any employee, delegate, agent or officer of the Trustee, breaches any obligation or duty imposed on the Trustee under the Master Trust Deed or any other Transaction Document in relation to the Trust (including any failure to act honestly and in good faith and to exercise diligence and prudence) where the Trust Manager reasonably believes it may have an Adverse Effect and the Trustee fails or neglects after 30 days' notice from the Trust Manager to remedy that breach;
- (iv) the Trustee merges or consolidates with another entity without obtaining the consent of the Trust Manager and ensuring that the resulting merged or consolidated entity assumes the Trustee's obligations under the Transaction Documents; or
- (v) there is a change in effective control of the Trustee from that subsisting as at the date of the Master Trust Deed unless approved by the Trust Manager.

Where the Trustee fails to retire upon direction within 30 days, the Trust Manager may remove the Trustee from its office.

On the retirement or removal of the Trustee, the Trust Manager, subject to giving prior notice to each Designated Rating Agency, shall be entitled to appoint in writing some other statutory trustee to be the Trustee under the Master Trust Deed provided that appointment will not in the reasonable opinion of the Trust Manager materially prejudice the interests of Noteholders. Until the appointment is completed the Trust Manager shall act as Trustee and will be entitled to the Trustee's Fee for the period it so acts as Trustee.

(h) **Voluntary Retirement of the Trustee**

The Trustee may resign on giving to the Trust Manager (with a copy to each Designated Rating Agency) not less than 3 months' notice in writing (or such other period as the Trust Manager and the Trustee may agree) of its intention to do so.

Before retirement, the Trustee must appoint a successor Trustee who is approved by the Trust Manager, or who may be the Trust Manager if it so elects, and whose appointment will not materially prejudice the interests of Noteholders and the Support Facility Providers. If a successor Trustee has not been appointed by the end of the notice period the Trust Manager shall act as Trustee until a successor trustee is appointed and will be entitled to the Trustee's Fee for the period it so acts as Trustee.

(i) **Limitation on Trustee's Liability**

- (i) This limitation of the Trustee's liability applies despite any provision of any Transaction Document and extends to all liabilities and obligations of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Transaction Documents and to the extent of any inconsistency between the operation of this limitation and any provision of any Transaction Document, the terms of this section will prevail.
- (ii) The Trustee enters into this transaction as trustee of the Trust and in no other capacity.
- (iii) Any liability of the Trustee arising in connection with the Transaction Documents is limited to the extent to which the liability can be satisfied out of the assets of the Trust and out of which the Trustee is actually indemnified for the liability.
- (iv) The Trustee is not obliged to do anything under the Transaction Documents (including incurring any liability) unless its liability is limited in a manner which is consistent with this Section 7.1(i) or otherwise in a manner satisfactory to the Trustee in its absolute discretion.
- (v) The provisions of this Section 7.1(i) do not apply to a liability to the extent that it is not satisfied because there is a reduction of the Trustee's indemnification out of the assets of the Trust as a result of the Trustee's fraud, negligence or wilful default.
- (vi) No act or omission of the Trustee (including any related failure to satisfy its obligations or any breach of representation or warranty under the Transaction Documents) will be considered fraud, negligence or wilful default of the Trustee for the purpose of this Section 7.1(i) to the extent the act or omission was caused or contributed by any failure of another person to fulfil its obligations

relating to the Trust, or by any other act or omission of any other person.

- (vii) No attorney, agent or other person appointed in accordance with the Transaction Documents has any authority to act on behalf of the Trustee in a way which exposes the Trustee to any personal liability, and no act or omission of such a person will be considered fraud, negligence or wilful default of the Trustee for the purpose of this Section 7.1(i).
- (viii) No party may sue the Trustee personally or seek the appointment of a liquidator, administrator, receiver or similar person to the Trustee, or prove in any liquidation administration or arrangement of or affecting the Trustee.
- (ix) The Trustee (whether in its personal capacity or as trustee of the Trust) will not in any event be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits, loss of goodwill/reputation and loss of business opportunity), whether or not foreseeable, even if the Trustee has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made.

(j) **Trustee's right of indemnity - Consumer Credit Legislation**

- (i) The Trustee will be indemnified out of the Trust, free of any set off or counterclaim, against all Penalty Payments which the Trustee is required to pay personally or in its capacity as trustee of the Trust in performing any of its duties or exercising any of its powers in relation to the Trust.
- (ii) Without limiting the generality of paragraph (i) above, the Trustee's right to be indemnified and to effect full recovery out of the Trust pursuant to such a right, will apply notwithstanding any alleged failure by the Trustee to exercise a degree of care, diligence and prudence required of the Trustee having regard to the powers, authorities and discretions conferred on the Trustee under the Master Trust Deed or any other act or omission which may not entitle the Trustee to be so indemnified and/or effect such recovery (including, without limitation, fraud, negligence or wilful misconduct) and that is not related to the liability.
- (iii) Each Approved Seller (in its capacity as trustee of the relevant trust only) in relation to the Loans acquired by the Trustee from the Approved Seller and all Related Security in relation to those Loans indemnifies the Trustee in relation to the Trust, free of any set off or counterclaim, against all Penalty Payments which the Trustee is required to pay personally or in its capacity as trustee of that Trust in performing any of its duties or exercising any of its powers under the Master Trust Deed in relation to that Trust. No liability of an Approved Seller under this paragraph (iii) will be considered fraud, negligence or wilful misconduct

by that Approved Seller merely by reason of the requirement to make a payment pursuant to the indemnity under this paragraph (iii).

- (iv) The Servicer, in relation to the Purchased Loans and all Related Securities in relation to those Loans indemnifies the Trustee in relation to the Trust, free of any set off or counterclaim, against all Penalty Payments which the Trustee is required to pay personally or in its capacity as trustee of the Trust in performing any of its duties or exercising any of its powers under the Master Trust Deed in relation to the Trust arising by reason of a breach by the Servicer of a Transaction Document.
- (v) In accordance with the Transaction Documents the Trustee may rely on the Trust Manager, the Originator or the Servicer as applicable in relation to compliance with any obligations under Consumer Credit Legislation.
- (vi) The Trustee shall call upon the indemnity as described in paragraph (iii) and (iv) and any similar indemnities contained in any relevant Servicing Agreement before it calls upon the indemnity in paragraph (i).
- (vii) In this section, Penalty Payment means:
 - A. any civil or criminal penalty incurred by the Trustee under any Consumer Credit Legislation;
 - B. any money ordered by a court or other judicial body to be paid by the Trustee in relation to any claim against the Trustee under Consumer Credit Legislation;
 - C. a payment by the Trustee in settlement of a liability or alleged liability under any Consumer Credit Legislation;
 - D. any civil or criminal penalty incurred by the Trustee under the Land Title Act 1994 (Qld), section 56C and section 117(4) of the Real Property Act 1900 (NSW) or the Verification of Identity Practice issued jointly by the Western Australian Registrar of Titles and Commissioner of Titles (the **WA Provisions**);
 - E. any money ordered by a court or other judicial body to be paid by the Trustee in relation to any claim against the Trustee under the Land Title Act 1994 (Qld), section 56C and section 117(4) of the Real Property Act 1900 (NSW) or the WA Provisions; or
 - F. a payment by the Trustee in settlement of a liability or alleged liability under the Land Title Act 1994 (Qld), section 56C and section 117(4)

of the Real Property Act 1900 (NSW) or the WA Provisions,

and includes any legal costs incurred by the Trustee or which the Trustee is ordered by a court or other judicial body to pay in connection with A. to F. above.

7.2 Role of the Trust Manager

(a) General

The Trust Manager is appointed as trust manager of the Trust on the terms set out in the Master Trust Deed and the Series Notice.

(b) Powers

The Trust Manager shall carry out and perform the duties and obligations on its part contained in the Master Trust Deed and the Series Notice and shall have full and complete powers of management of the Trust, including in relation to the conduct of the day to day operation of the Trust and the administration and servicing of the assets (which are not serviced by the Servicer), borrowings and other liabilities of the Trusts. The Trustee has no duty to supervise the Trust Manager in the performance of its functions and duties or the exercise of its discretions.

The Trust Manager has the absolute discretion to recommend investments to the Trustee and direct the Trustee in relation to those investments. The Trustee's role is to give effect to all such recommendations or directions.

Subject to the following paragraph, the Trust Manager undertakes to procure that the Servicer will from time to time set the interest rates on all Purchased Loans which are not fixed rate Loans such that the weighted average interest rate on all such Purchased Loans (together with amounts receivable under other Authorised Investments of the Trustee) is not less than the Threshold Rate at that time.

The Trust Manager need not comply with the previous paragraph in respect of a period if an aggregate amount equal to the Threshold Rate Subsidy for that period has been:

- (i) deposited by or on behalf of the Trust Manager into the Collection Account by 2:00 pm on the Payment Date for that period; and/or
- (ii) allocated from Excess Available Income for that Payment Date in accordance with section 6.10(a)(xxii),

for application towards Total Available Funds for the Collection Period relating to that Payment Date.

(c) Delegation

The Trust Manager may in carrying out and performing its duties and obligations contained in the Master Trust Deed delegate to any of its

related bodies corporate, or any of the Trust Manager's or its Associate's officers and employees all acts, matters and things (whether or not requiring or involving the Trust Manager's judgment or discretion), or appoint any person to be its attorney, agent, delegate or sub-contractor for such purposes and with such powers as the Trust Manager thinks fit. The Trust Manager remains liable for the acts or omissions of such attorney, agent, delegate or sub-contractor.

(d) **Right to make appointment**

The Trust Manager may, subject to the agreement of the Trustee (which shall not be unreasonably withheld) appoint any custodian, Originator, Servicer, Trustee or any necessary third parties in its absolute discretion. The Trustee shall not be responsible for the appointment or selection of such parties.

(e) **Trust Manager's Fee and expenses**

The Trust Manager is entitled to a fee calculated by reference to the Stated Amount of the Notes (other than the Class G Notes) and a margin per annum as agreed between it and the Trustee from time to time (the **Trust Manager's Fee**). The Trust Manager is also entitled to be reimbursed out of the assets of the Trust for all expenses incurred in connection with the performance of its obligations in respect of the Trust (but not general overhead costs and expenses as well as those fees payable by the Trust Manager not listed in the definition of **Expenses** in the Master Trust Deed).

(f) **Removal of the Trust Manager**

The Trust Manager shall retire as trust manager if so directed by the Trustee while a Trust Manager's Default is subsisting. A **Trust Manager's Default** occurs if:

- (i) the Trust Manager fails to make any payment required from it within the time period specified in a Transaction Document, and that failure is not remedied within 5 Business Days of receipt from the Trustee of notice of that failure;
- (ii) an Insolvency Event has occurred and is continuing in relation to the Trust Manager;
- (iii) the Trust Manager breaches any obligation or duty imposed on the Trust Manager under the Master Trust Deed, any other Transaction Document or any other deed, agreement or arrangement entered into by the Trust Manager under the Master Trust Deed in relation to the Trust, the Trustee reasonably believes that breach has an Adverse Effect and the breach is not remedied or compensation has not been paid after 30 days' notice from the Trustee (except in the case of reliance by the Trust Manager on the Servicer); or
- (iv) a representation, warranty or statement by or on behalf of the Trust Manager in a Transaction Document or a document provided under or in connection with a

Transaction Document, is not true in a material respect or is misleading when repeated and is not remedied to the Trustee's reasonable satisfaction within 90 days after notice from the Trustee where (as determined by the Trustee) it has an Adverse Effect.

Where the Trust Manager fails to retire upon direction within 30 days (or immediately in the case of an Insolvency Event), the Trustee may remove the Trust Manager from its office. If the Trust Manager is required to retire in the case of an Insolvency Event, the Trustee must act as Trust Manager until a replacement Trust Manager is appointed.

The costs of removal of the Trust Manager in default shall be borne by the Trust Manager. The Trust Manager indemnifies the Trustee and the Trust for those costs.

On retirement or removal of the Trust Manager, the Trustee may appoint another trust manager, provided the appointment will not materially prejudice the interests of Noteholders. If requested by the Trustee, the retiring Trust Manager agrees to use its best endeavours to ensure a successor trust manager is appointed as soon as possible.

Until a replacement Trust Manager is appointed, the Trust Manager must continue as Trust Manager. If a replacement Trust Manager is not appointed within 90 days of the Trustee electing to appoint a new Trust Manager, the Trustee will be the new Trust Manager.

(g) Voluntary Retirement of the Trust Manager

The Trust Manager may resign on giving to the Trustee (with a copy to each Designated Rating Agency) not less than 3 months' notice in writing (or such other period as the Trust Manager and the Trustee may agree) of its intention to do so.

Before retirement, the Trust Manager must appoint a successor Trust Manager who is approved by the Trustee, or who may be the Trustee, and whose appointment will not materially prejudice the interests of Noteholders. If a successor Trust Manager has not been appointed by the end of the notice period the Trustee shall act as Trust Manager until a successor trust manager is appointed and will be entitled to the Trust Manager's Fee for the period it so acts as Trust Manager.

(h) Limitation on Trust Manager's Liability

The principal limits on the Trust Manager's liability are set out in clause 33 of the Master Trust Deed. These include the following limits.

In the absence of fraud, negligence or wilful Default on its part or on the part of any of its officers, employees, agents or delegates, the Trust Manager shall not be liable personally in the event of failure to pay moneys on the due date for payment to any Creditor or any other person or for any loss howsoever caused in respect of any of the Trusts or to any Creditor or other person.

The Trust Manager shall not be personally liable to indemnify the Trustee or make any payments to any other person in relation to the Trust, except that there shall be no limit on the Trust Manager's liability for any fraud, negligence or wilful Default by it in its capacity as the Trust Manager of the Trust. However, the Trust Manager fully indemnifies the Trustee as set out in clause 31 of the Master Trust Deed

The Trust Manager shall be indemnified out of the Trust in respect of any liability, cost or expense properly incurred by it in its capacity as Trust Manager of the Trust or so incurred by any of its delegates, sub-delegates or agents. The Trust Manager will not be so indemnified where any liability, cost or expense is caused by any Trust Manager's Default or a failure by the Trust Manager to perform its duties or comply with its obligations under any transaction documents.

Subject to the Master Trust Deed, the Trust Manager is not responsible for any act, omission, misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of the Trustee, (except where the Trust Manager is the Servicer) the Servicer or any agent appointed by the Trustee or the Trust Manager or on whom the Trustee or the Trust Manager is entitled to rely under the Master Trust Deed (other than a Related Body Corporate), attorney, banker, receiver, barrister, solicitor, agent or other person acting as agent or advisor to the Trustee or the Trust Manager.

7.3 Beneficiaries

The beneficial ownership of the Trust is divided into:

- (a) such numbers of residual income units (each a **Residual Income Unit**) as the Trustee may issue from time to time (being one Residual Income Unit on or about the date of this Information Memorandum); and
- (b) 10 residual capital units (the **Residual Capital Unit**).

The holder of a Residual Capital Unit has no right to receive distributions in respect of the Trust other than the right to receive an amount of \$10 in respect of that Residual Capital Unit on the termination of the Trust. The Residual Capital Units may not be redeemed at any other time or in any other way.

No Residual Income Unit Holder has any right to receive distributions in respect of the Trust other than:

- (a) the right to receive distributions in respect of the Trust under the Master Trust Deed and the Series Notice to the extent that amounts are available for distribution; and
- (b) the right to receive on the termination of the Trust the entire beneficial interest of the Trust, subject to the rights of the holders of the Residual Capital Units.
- (c) A Residual Income Unit may not be redeemed at any other time or in any other way.

Each Residual Income Unit is transferable.

A **Beneficiary** of the Trust will hold a Residual Capital Unit or a Residual Income Unit.

The Trustee may not recover any amounts properly paid to a Beneficiary once they are paid.

7.4 The Servicer

(a) **Appointment as Servicer**

Under the Servicing Agreement, Bluestone Servicing Pty Limited has been appointed as the Servicer of the Purchased Loans.

(b) **Duties and standard of care**

Under the Servicing Agreement, the Servicer shall manage and service the Purchased Loans to the extent not covered by the Servicing Agreement or the Agreed Procedures or under the direction of the Trust Manager, by exercising the degree of skill, diligence and care expected of a responsible and prudent mortgagee.

(c) **Powers**

Under the Servicing Agreement, the Servicer has the express power, among other things, to perform all the obligations and functions of the mortgagee under each of the Purchased Loans and Mortgages to the extent specified in the *Bluestone – Servicing Specifications*, *Bluestone – Origination Specifications* and *Bluestone – Collections Policy* (the **Agreed Procedures**).

No change may be made to the Agreed Procedures unless a Rating Notification has been given by the Trust Manager.

The Agreed Procedures can be viewed at the offices of the Trust Manager.

(d) **Delegation by the Servicer**

The Servicer is entitled to delegate its duties under the Servicing Agreement provided that:

- (i) the prior written consent of the Trust Manager has been obtained to that appointment;
- (ii) the terms of that delegation are approved by the Trust Manager;
- (iii) where the delegation involves or may involve the receipt of any money belonging to the Trustee, or which are required to be paid into the Collection Account, the Delegate must execute a binding declaration in a form acceptable to the Trust Manager that those monies will be held on trust for the Trustee;
- (iv) neither the Trust Manager nor the Trustee will have any liability for any costs, charges or expenses payable to the

Delegate or arising from the Delegate's engagement or termination; and

- (v) the Trust Manager is satisfied, having consulted with the Servicer (and without limitation such consultation includes an entitlement to participate in any representations made to the relevant Rating Agency) the proposed delegation will not adversely affect any rating in place from time to time in relation to any Notes.

The Servicer at all times remains liable for the acts or omissions of any delegate (other than an approved solicitor or other professional adviser appointed in accordance with the Agreed Procedures and approved in writing by the Trust Manager in certain circumstances).

(e) **Undertakings of the Servicer**

Under the Servicing Agreement, the Servicer undertakes, among other things, to:

- (i) arrange to collect all moneys paid or payable under the Purchased Loans, related Mortgages and guarantees and pay them into the relevant bank account.
- (ii) keep any Assets which it holds from time to time separate from any other property belonging to or held by the Servicer and separate from the Assets of any Other Trust.
- (iii) keep accounting and other records relating to the Trust which correctly record and explain:
 - A. the settlement of each Loan for the Trust including the source and usage of all moneys involved;
 - B. the entering into of all Related Securities for the Trust;
 - C. all payments made and received by or on behalf of the Trustee under each Related Security for the Trust including (and being able to account separately for) Fee Receipts, Sundry Fees, Finance Charge Collections and Principal Collections;
 - D. all action taken by it in the exercise of any Power;
 - E. the financial position at any time in relation to each Mortgage for the Trust in a manner which will enable the preparation from time to time of accounts and other financial statements in accordance with the requirements of all applicable Laws and otherwise in such form as the Trustee or the Trust Manager from time to time requires; and

F. any other such accounts/reports specified by the Trust Manager from time to time.

- (iv) not consent to the creation or existence of any Security Interest in favour of a third party in relation to any Mortgaged Property in connection with a Purchased Loan and the Loan Rights other than as approved in writing by the Trust Manager;
- (v) as required by Law or ordered by a competent authority release any Loan or Loan Right, reduce the amount outstanding under or vary the terms of any Loan or grant other relief to a Borrower;
- (vi) not release any Loan Right or vary the terms of any Loan where the maturity date of a Loan would be extended beyond the Maturity Date (except as required by Law or ordered by a competent authority);
- (vii) deliver to the Trust Manager or the Trustee such information as the Trustee or the Trust Manager may from time to time reasonably request, including information relating to the performance by the Servicer of the Services and the Mortgages and any other Related Securities; and
- (viii) notify the Trust Manager upon becoming aware that any default has occurred in respect of any Purchased Loan. The Servicer will, in connection with the Purchased Loans, the Mortgages and other relevant Loan Rights act upon the instructions of the Trust Manager to enforce all covenants and obligations of each Borrower in accordance with the Agreed Procedures.

(f) **Servicer's Expenses**

Under the Servicing Agreement the Servicer will be entitled to be reimbursed by the Trustee from money received by the Trust for all reasonable costs, expenses and disbursements (other than general overheads of the Servicer or fees payable to sub-contractors or delegates) properly incurred in the performance of its obligations under the Servicing Agreement with respect to the Trust, and in the exercise of any power:

- (i) if such costs, expenses and disbursements are paid by the Borrower in accordance with its obligations under a relevant Mortgage, from the proceeds of such payment; or
- (ii) if such costs, expenses and disbursements were previously approved in writing by the Trust Manager.

The Servicer will use reasonable endeavours to recover from Borrowers all costs and expenses properly recoverable under the relevant Purchased Loans.

(g) **Resignation**

The Servicer may, subject to a successor having been appointed with the consent of the Trustee and subject to the Trust Manager giving a Rating Notification, terminate the Servicing Agreement in relation to the Trust by not less than 3 months' notice in writing to the Trust Manager, the Trustee and each Designated Rating Agency.

(h) **Removal**

The Trustee must if so directed by the Trust Manager terminate the Servicing Agreement (without any compensation to the Servicer) in relation to the Trust immediately by notice in writing to the Servicer and the Trust Manager if:

- (i) the Servicer fails to pay any amount in relation to the Trust in accordance with any Transaction Document within 5 Business Days of receipt of a notice to do so from either the Trustee or the Trust Manager;
- (ii) the Servicer breaches any of its obligations under the Servicing Agreement and, in the case of a breach which is capable of remedy, does not remedy that breach within 10 Business Days of a notice from the Trustee requiring the same to be remedied;
- (iii) any representation, warranty or certification made by the Servicer in relation to the Trust is incorrect when made and is not waived by the Trustee or remedied to the Trustee's reasonable satisfaction within 20 days after notice from the Trustee, and the Trustee determines that breach would have an Adverse Effect in relation to the Trust; or
- (iv) an Insolvency Event occurs in relation to the Servicer;
- (v) the Servicer ceases to carry on business or threatens to do so;
- (vi) the Servicing Agreement or any material provision of it is or becomes void or voidable or the Servicer asserts or claims that to be the case;
- (vii) it is unlawful for the Servicer to perform the Services; or
- (viii) 6 months have elapsed following notification of the Trustee by the Trust Manager that there has been a Change in Control Event in relation to the Servicer.

A Change in Control Event means:

- A. 51% or more of the shares in the Servicer are acquired by a competitor; or
- B. 51% or more of the shares in the Servicer are acquired by an entity which in the opinion of the Trust Manager is not technically or financially

competent to provide the same level of support to the Servicer which results (in the opinion of the Trust Manager) in the Servicer not being able to provide the Services to the standard required by the Trust Manager under the Servicing Agreement.

7.5 Back-up Servicer

(a) Appointment as Back-up Servicer

Under the Back-up Servicing Agreement, AMAL Asset Management Ltd has been appointed as the back-up Servicer for the Purchased Loans (**Back-up Servicer**) and agrees to act as Servicer in respect of the Purchased Loans in the event of the retirement or removal of the Servicer from the date on which such retirement or removal takes place (the **Appointment Date**), as notified to it by the Trust Manager (or failing the Trust Manager, the Trustee) until the appointment of a successor servicer (if any).

(b) Duties and standard of care

Under the Back-up Servicing Agreement, the Back-up Servicer agrees to assume all of the servicing functions of the Servicer for the Purchased Loans, as set out in the Back-up Servicing Agreement and the Agreed Procedures, in the event that it is appointed as the Servicer.

Under the Back-up Servicing Agreement, the Back-up Servicer agrees to exercise its rights and comply with its servicing obligations with the same degree of diligence and care expected of an appropriately qualified and prudent servicer of receivables similar to the Purchased Loans.

(c) Delegation by the Back-up Servicer

Under the Back-up Servicing Agreement, the Back-up Servicer may employ agents and attorneys and may delegate any of its rights and obligations in its capacity as Back-up Servicer, provided that the Back-up Servicer:

- (i) will use reasonable care in selecting delegates;
- (ii) is responsible for any loss arising due to acts or omissions of any person to whom it delegates and for payments of any fees of that person; and
- (iii) remains responsible for its obligations under the Back-up Servicing Agreement notwithstanding any delegation by it.

(d) Back-up Servicer's Fees

Under the Back-up Servicing Agreement, the Trustee agrees to pay fees to the Back-up Servicer in amounts agreed between the Trust Manager and the Back-up Servicer.

(e) **Retirement**

The Back-up Servicer may retire as Back-up Servicer by giving the Trustee and the Trust Manager not less than 90 days' notice in writing.

(f) **Removal**

The Trustee may terminate the Back-up Servicer's appointment as Back-up Servicer by giving the Trust Manager and the Back-up Servicer not less than 90 days' notice in writing, subject to the Trust Manager giving a Rating Notification.

7.6 **Custody of documents**

Under the Master Trust Deed:

- (a) the Trustee will act as custodian of all Loan Agreements, Mortgages, guarantees, certificates of title and documents of title to or evidencing any assets of the Trust in accordance with the relevant Servicing Agreement. In the absence of any agreed procedures the Trustee will hold those documents on and in accordance with procedures which a reputable and prudent person in its position would adopt;
- (b) the Trustee may lodge any of those documents in its vault or, with the prior consent of the relevant Servicer and the Trust Manager, in the vault of a sub-custodian, on behalf of the Trustee or with Austraclear or another recognised clearing system to the order of the Trustee or sub-custodian on behalf of the Trustee; and
- (c) where the Trustee acts as custodian of any of those documents, it shall allow the Trust Manager and any relevant Servicer to have access to them during normal business hours on reasonable notice.

Under the Servicing Agreement, the Servicer must promptly deliver to the Trustee all Related Securities for the Trust which come into its possession, except to the extent that the Trustee in that capacity:

- (a) consents in writing to the Servicer holding them; or
- (b) delivers to the Servicer any such Related Securities, for the purposes of enabling or facilitating the performance by the Servicer of the Services,

in each case provided that it would not result in the withdrawal or downgrade of any rating of any debt of the Trust.

The Servicer shall ensure that it holds all documents or copies of documents it is required to hold in accordance with the Agreed Procedures.

7.7 **Termination of the Trust**

(a) **Termination Date**

The **Termination Date** of the Trust is the earliest of the following dates:

- (i) the eightieth anniversary of the date of creation of the Trust;

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- (ii) the date on which the Trust terminates by operation of statute or by the application of general principles of law;
 - (iii) if Notes have been issued by the Trustee in its capacity as trustee of the Trust the earliest of:
 - A. the Business Day immediately following the date upon which the Trustee pays in full all moneys due or which may become due, whether contingently or otherwise, to Creditors of the Trust (as determined by the Auditor, that determination to be conclusive) and the Trustee and the Trust Manager agree that no further Notes are proposed to be issued by the Trustee in relation to that Trust; or
 - B. while an Event of Default is subsisting under the Security Trust Deed, the Security Trustee has enforced to the fullest extent that it is able to do so all of its powers under the Security Trust Deed which arise while that Event of Default is subsisting or on the Security Trust Deed becoming enforceable, and has distributed all of the amounts which it is required to distribute under the Security Trust Deed (as determined by the Auditor, that determination to be conclusive), and the Trustee has received a confirmation from the Australian Taxation Office that the Trustee has lodged its final tax return in relation to that Trust; or
 - (iv) if Notes have not been issued by the Trustee in its capacity as trustee of the Trust, the date appointed by the Trust Manager as the Termination Date by notice in writing to the Trustee after the Trustee has received a confirmation from the Australian Taxation Office that the Trustee has lodged its final tax return in relation to that matter.

(b) **Realisation of Trust assets**

As soon as reasonably practical after the Termination Date (subject to the relevant Approved Seller's right of first refusal described below), the Trustee must sell and realise the assets of the Trust within 180 days. During the 180 day period, the performing Loans must be sold for not less than their Unpaid Balance and the non-performing Loans must be sold for not less than their Fair Market Value. The Trustee may not sell any performing Loan, within the 180 day period, for less than its Unpaid Balance and may not sell any non-performing loan for less than its Fair Market Value without the consent of an Extraordinary Resolution of the relevant Noteholders. The Trust Manager will determine whether a Purchased Loan is performing or non-performing.

The Trustee will not purport to effect any such sale without first having obtained the prior approval of the Specified Creditors.

7.8 Distribution

After deducting expenses in connection with the administration or winding up of the Trust, the Trust Manager shall direct distribution of the proceeds of realisation of Trust assets in accordance with the cashflow allocation methodology set out in section 6 and in accordance with any directions given to it by the Trust Manager.

If all Notes relating to the Trust have been fully redeemed and the Trust's creditors paid in full, the Trustee may distribute all or part of the assets to the relevant Beneficiary.

7.9 Audit and Accounts

An auditor (being a firm of chartered accountants some of whose members are Registered Company Auditors as defined in the Corporations Act) will be appointed to the Trust. The auditor must audit the annual accounts prepared by the Trust Manager and the Trustee for each financial year in respect of the Trust and provide a written report detailing the results of the audit to the Trustee and the Trust Manager.

Under the Master Trust Deed, the accounts of the Trust are not required to be prepared in strict compliance with general Australian accounting or reporting standards. Rather, the Master Trust Deed requires that the income of the Trust is determined by recognising interest income, interest expense, swap payments, swap premiums, swap receipts and premiums on acquisition of assets on a daily accruals basis, and other items of income and expense on a cash basis, in each case disregarding unrealised gains and losses.

A copy of the audited accounts of the Trust and any Auditor's report shall be available for inspection, but not copying, by the Noteholders in relation to the Trust at the offices of the Trust Manager.

7.10 Income Tax

Any income which is held by the Trust at tax year end will be distributed to the relevant Beneficiary. The Trust Manager shall prepare and lodge all necessary income tax returns and other statutory returns for the Trust, and the Trustee will need to pay any applicable income tax and withhold and remit any applicable withholding tax. The Residual Income Unit Holder will need to lodge an Australian tax return and include the net non-interest tax income of the Trust in its Australian assessable income. The Residual Income Unit Holder can then claim a credit for the income tax paid by the Trustee on that income (which should generally be at the rate of 30%). The rate of Australian interest withholding tax that will apply to any interest income that is paid to the Residual Income Unit Holder is 10%. The Trust Manager and the Trustee have received an opinion from Clayton Utz confirming the application of the relevant taxation principles.

7.11 Amendments to the Master Trust Deed or Series Notice

The Trustee, the Trust Manager and the Servicer may by way of supplemental deed alter, add to or modify the Master Trust Deed or the Series Notice so long as such alteration, addition or modification is:

- (a) to correct a manifest error or ambiguity or is of a formal, technical or administrative nature only;

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- (b) necessary to comply with the provisions of any statute or regulation or with the requirements of any government agencies;
 - (c) appropriate or expedient as a consequence of an amendment to any statute or regulation or altered requirements of any government agencies; or
 - (d) in the opinion of the Trustee desirable to enable the provisions of the Master Trust Deed to be more conveniently, advantageously, profitably or economically administered or is desirable.

Where in the opinion of the Trustee a proposed alteration, addition or modification to the Master Trust Deed or Series Notice is prejudicial or likely to be prejudicial to the interests of the Noteholders or a class of Noteholders or the Beneficiaries of the Trust, such alteration, addition or modification may only be effected by the Trustee with the prior consent of the Noteholders or a class of Noteholders (as the case may be) under an Extraordinary Resolution of the Noteholders or a class of Noteholders (as the case may be) or with the prior written consent of the Beneficiaries (as the case may be).

7.12 Meetings of Noteholders

(a) Who can convene meetings

The Trustee, the Trust Manager or Noteholders holding in aggregate not less than 20% of the Principal Amounts of all Notes or in a Class may at any time convene a meeting of the Noteholders of the Trust or the Noteholders of that Class.

(b) Notice of Meetings

At least 7 days' notice must be given to the relevant Noteholders of a meeting unless 95% of the holders of the then outstanding Notes of the Trust or the Class (as the case may be) agree on a shorter period of time. The notice must specify the day, time and place of the proposed meeting, the agenda, the terms of any proposed resolution, that persons appointed to maintain the register of Noteholders for the purpose of determining those entitled to attend may not register any transfer of a Note in the period of 2 Business Days prior to the meeting, that appointments of proxies must be lodged no later than 24 hours prior to the time fixed for the meeting and such additional information as the person giving the notice thinks fit. Accidental omission to give notice or (where such notice was in fact sent) the non-receipt of notice by any Noteholder will not invalidate the proceedings at any meeting.

(c) Quorum

The quorum for a meeting is two or more persons being Noteholders holding, or representatives of Noteholders holding or representing, in the aggregate not less than 75% of the Principal Amounts of all Notes issued in relation to the Trust or constituting the Class and then outstanding (as the case may be).

If within 15 minutes from the time appointed for any meeting a quorum is not present, the meeting shall stand adjourned (unless the Trustee agrees that it be dissolved) for such period, not being less than

7 days nor more than 42 days, as may be appointed by the chairman. At such adjourned meeting two or more persons present in person being Noteholders holding, or being representatives holding or representing, in the aggregate not less than 50% of the Principal Amounts of all Notes issued in relation to the Trust or constituting the Class (as the case may be) and then outstanding shall form a quorum.

At least 5 days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for the original meeting and such notice shall state the quorum required at such adjourned meeting.

(d) **Voting Procedures**

Questions submitted to any meeting will be decided in the first instance by show of hands or, if demanded by the chairman, the Trustee, the Trust Manager or by one or more persons being Noteholders holding or being representatives holding or representing in aggregate not less than 2% of the Notes issued by the Trust or constituting the Class (as the case may be) and then outstanding, by a poll.

Every person being a Noteholder holding or a representative holding or representing then outstanding Notes will have one vote on a show of hands and one vote for each Note held or represented by them on a poll.

(e) **Powers of a Meeting of Noteholders**

The powers of a meeting of Noteholders are specified in the Master Trust Deed (including to sanction action which the Trustee, Trust Manager or Servicer propose to take, and to consent to the amendment of Transaction Documents) and can only be exercised by an Extraordinary Resolution of Noteholders. A meeting of Noteholders does not have the power to:

- (i) remove the Servicer or the Trust Manager from office;
- (ii) interfere with the management of the Trust;
- (iii) wind up or terminate the Trust;
- (iv) alter the Authorised Investments of the Trust;
- (v) amend any Transaction Document; or
- (vi) alter the Interest, or other terms of the Series Notice.

(f) **Binding Resolutions**

An Extraordinary Resolution shall be binding on all the Noteholders of the Trust or of the relevant Class (as the case may be) whether or not present at such meeting.

(c) **Written Resolutions**

A resolution of the Noteholders of the Trust or any Class (including an Extraordinary Resolution) may be passed, without any meeting or previous notice being required, by an instrument in writing which has in the case of a resolution (including an Extraordinary Resolution) of the Noteholders of the Trust or any Class, been signed by all Noteholders of the Trust or the Class (as the case may be) when presented to the Trustee for entry into the records.

8. THE SECURITY TRUST DEED

8.1 Charge

Under the Security Trust Deed, the Trustee has granted a charge, registered on the PPS Register, over all of the assets of the Trust in favour of the Security Trustee. The charge constitutes a security interest for the purposes of the Personal Property Securities Act 2009 (Cth). The charge secures the Trustee's obligations to (in relation to their rights under the Notes), the Noteholders, (in relation to its rights under the Transaction Documents) the Trust Manager, (in relation to its rights under any Support Facility) any Support Facility Provider (including the Liquidity Facility Provider under the Liquidity Facility Agreement and the Swap Provider under the Swap Agreement) (in relation to its rights, held in its own right or for the benefit of other Mortgagees (as defined below)), under the Security Trust Deed) the Security Trustee, any Approved Seller in relation to any relevant Accrued Interest Adjustment, the trustee of any Seller Trust in relation to any obligations owed by the Trustee in relation to that Seller Trust, (in relation to its rights under the Transaction Documents) the Trustee, the Servicer, in relation to its rights under the Dealer Agreement), any Dealer or the Originator and (in relation to its rights under the Residual Income Units held by it, including any rights in respect of a debt created or to be created by the declaration of any distributions in respect of those Residual Income Units) each Residual Income Unit Holder (together, those creditors being the **Mortgagees**). However, the charge is subject to the Trustee's right of indemnity as trustee (and its security interests over) the assets of the Trust in respect of fees and expenses due to the Trustee in relation to the Trust.

8.2 Security Trustee

The Security Trustee is appointed to act as trustee on behalf of the Mortgagees on the terms and conditions of the Security Trust Deed. It holds the benefit of the charge, the mortgaged property and the benefit of each of the Transaction Documents to which it is a party on trust for each Mortgagee in accordance with the terms and conditions of the Security Trust Deed.

The Security Trustee shall, as regards the exercise of all discretions vested in it by the Transaction Documents, except where expressly provided otherwise, have regard to the interests of the Mortgagees.

If there is at any time a conflict between a duty owed by the Security Trustee to any Mortgagee or class of Mortgagee, and a duty owed by it to another Mortgagee or class of Mortgagee, the Security Trustee must give priority to the interests of the Voting Mortgagees (if there are any) and otherwise to Mortgagees according to the order in which moneys are applied as set out in clause 15 of the Security Trust Deed. Provided that the Security Trustee acts in good faith, it shall not incur any liability to any Mortgagee for so doing.

The Security Trustee's liability under the Security Trust Deed is limited to the amount the Security Trustee is able to be satisfied out of the assets held on trust by it under the Security Trust Deed from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to the extent that the Security Trustee's right of indemnity is reduced as a result of fraud, negligence or wilful misconduct on the part of the Security Trustee or its officers, employees or agents or any other person whose acts or omissions the Security Trustee is liable for under the Transaction Documents. Payment by the Security Trustee of an

amount equal to the amount it actually receives in respect of an obligation under any Transaction Document to which the Security Trustee is a party or the trust constituted by the Security Trust Deed, constitutes a complete discharge of the Security Trustee's liability in respect of that obligation.

Additional limitations on the Security Trustee's liability are found in the Security Trust Deed.

8.3 Events of Default

Each of the following is an Event of Default under the Security Trust Deed.

- (a) The Trustee fails to pay any Secured Moneys within 10 days of the due date for payment (or within any applicable grace period agreed with the Mortgagee to whom the Secured Moneys relate), provided that failure to pay:
 - (i) any Interest (including Residual Interest) on Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class G1 Notes or Class G2 Notes; or
 - (ii) any amount described in section 6.10,in each case where the Trustee does not have funds available to do so will only constitute an Event of Default in the circumstances specified below.
- (b) The Trustee fails to perform its obligations under the Transaction Documents where that failure will have an Adverse Payment Effect and, if in the opinion of the Security Trustee the failure is capable of remedy, it remains unremedied for 30 days after notice.
- (c) An Insolvency Event occurs in relation to the Trustee.
- (d) The PPSA Security Interest granted under the Security Trust Deed is not or ceases to be valid and enforceable or the Trustee creates or allows to exist any Security Interest over any Mortgaged Property, where such breach will have an Adverse Payment Effect.
- (e) Any security interest over the assets of the Trust is enforced which enforcement will have an Adverse Payment Effect.
- (f) All or any part of any Transaction Document is terminated, or is or becomes void, illegal, unenforceable or of limited force and effect, or a party becomes entitled to terminate rescind or avoid all or part of any Transaction Document, where that would have an Adverse Payment Effect, except following an Approved Termination.
- (g) Without prior consent of the Security Trustee:
 - (i) the Trust is wound up, the Trustee is required to wind up the Trust or winding up commences;
 - (ii) the Trust is held or is conceded by the Trustee not to have been constituted or to have been imperfectly constituted; or

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- (iii) unless another trustee is appointed to the Trust under the Transaction Documents, the Trustee ceases to be authorised under the Trust to hold the property of the Trust and perform its obligations under the Transaction Documents.

The Trustee and the Trust Manager must promptly notify the Security Trustee and each Designated Rating Agency if it becomes aware of the occurrence of an Event of Default, including full details of the Event of Default.

Notwithstanding anything mentioned above, a failure by the Trustee to pay any amount of Interest (other than Residual Interest):

- (a) in respect of Class B Notes will only be an Event of Default for the purposes of the Security Trust Deed if at that time there are no Class A Notes outstanding;
- (b) in respect of Class C Notes will only be an Event of Default for the purposes of the Security Trust Deed if at that time there are no Class B Notes or Class A Notes outstanding;
- (c) in respect of Class D Notes will only be an Event of Default for the purposes of the Security Trust Deed if at that time there are no Class C Notes, Class B Notes or Class A Notes outstanding;
- (d) in respect of Class E Notes, will only be an Event of Default for the purposes of the Security Trust Deed if at that time there are no Class D Notes, Class C Notes, Class B Notes or Class A Notes outstanding;
- (e) in respect of Class G1 Notes, will only be an Event of Default for the purposes of the Security Trust Deed if at that time there are no Class E Notes, Class D Notes, Class C Notes, Class B Notes or Class A Notes outstanding; and
- (f) in respect of Class G2 Notes, will only be an Event of Default for the purposes of the Security Trust Deed if at that time there are no Class G1 Notes, Class E Notes, Class D Notes, Class C Notes, Class B Notes, or Class A Notes outstanding,

in each case, except to the extent that the Trustee has funds available to pay that Interest and it does not do so.

A failure to pay any Residual Interest will only be an Event of Default for the purposes of the Security Trust Deed if the Trustee has funds available to pay that Residual Interest and it does not do so.

8.4 Enforcement

The Security Trustee shall, on becoming actually aware of an Event of Default occurring under the Security Trust Deed, promptly convene a meeting of the Voting Mortgagees.

At the meeting, the Voting Mortgagees must vote by ***Mortgagee Extraordinary Resolution*** (being a resolution by relevant Mortgagees representing in aggregate at least 75% of the votes able to be cast at the meeting or by written resolution signed by all of the relevant Mortgagees) on what action they should direct the

Security Trustee to take if the relevant Event of Default is subsisting including whether to appoint a receiver over the Trust's assets.

The Security Trust Deed sets out detailed meeting procedures for Mortgagees, which procedures are generally similar to those for meetings of Noteholders under the Master Trust Deed.

The Security Trustee cannot exercise the power to appoint a receiver or to exercise itself the powers of a receiver unless directed by a Mortgagee Extraordinary Resolution of the Voting Mortgagees or a written resolution signed by all Voting Mortgagees or in the opinion of the Security Trustee it is necessary to do so to protect the interests of the Mortgagees. Other than to convene a meeting of relevant Mortgagees, the Security Trustee is not obliged to act prior to receiving directions from the Mortgagees under a Mortgagee Extraordinary Resolution. Moreover, it is not obliged to act as directed by a Mortgagee Extraordinary Resolution unless it obtains an adequate indemnity and is put in funds by the relevant Mortgagees.

Except in the situation where a direction has been given to the Security Trustee to act and the Security Trustee does not act due to the relevant Mortgagees refusing to grant the requested indemnity and put the Security Trustee in funds, no Mortgagee is entitled to enforce the charge under the Security Trust Deed, or appoint a receiver or otherwise exercise any power conferred by any applicable law on charges.

The Security Trustee may, on any terms and conditions as it may deem expedient, having first given notice to each Designated Rating Agency, without the consent of the Mortgagees and without prejudice to its rights in respect of any subsequent breach or event:

- (a) agree to any waiver or authorisation of any breach or proposed breach of any of the terms and conditions of the Transaction Documents; or
- (b) determine that any event that would otherwise be an Event of Default shall not be treated as an Event of Default for the purpose of the Security Trust Deed,

which is not, in the opinion of the Security Trustee, materially prejudicial to the interests of the Mortgagees. No waiver, authorisation or determination shall be made in contravention of any directions contained in a Mortgagee Extraordinary Resolution of the relevant Mortgagees. No waiver, authorisation or determination may, once given, be overridden or withdrawn by a Mortgagee Extraordinary Resolution but the Security Trustee may give a waiver, authorisation or determination on terms that allow it to be overridden or withdrawn. Any waiver, authorisation or determination shall, if the Security Trustee so requires, be notified to the Mortgagees by the Trust Manager as soon as practicable thereafter in accordance with the Security Trust Deed.

8.5 Priorities under the Security Trust Deed

The proceeds from the enforcement of the charge are to be applied in the following order of priority, subject to any other priority which may be required by statute or law:

- (a) Subject to paragraph (b), the proceeds from the enforcement of the Charge over the Mortgaged Property are to be applied

(notwithstanding any order of payment in the Series Notice) in the following order of priority, subject to any other priority which may be required by statute or law:

- (i) first, to the extent required by law, to pay the holder of any prior ranking Security Interest over Assets, of which the Security Trustee has notice, the amount properly secured by the Security Interest;
- (ii) next, to pay all costs, charges, expenses and disbursements properly incurred in the exercise of any power by the Security Trustee, a Receiver (as defined in the Security Trust Deed) or an Attorney (as defined in the Security Trust Deed) or other amounts (other than those referred to in paragraph (a)(iii)) payable to the Security Trustee under the Security Trust Deed;
- (iii) next, to pay *pari passu* and rateably:
 - A. any fees and any other amounts due to the Security Trustee under the Transaction Documents;
 - B. any fees and any other amounts due to the Trustee under the Transaction Documents; and
 - C. the Receiver's remuneration;
- (iv) next, to pay *pari passu* and rateably, any Expenses then due and unpaid with respect to the Trust;
- (v) next, to pay *pari passu* and rateably, any unpaid Accrued Interest Adjustment due to the Approved Sellers;
- (vi) next, to pay *pari passu* and rateably:
 - A. all Secured Moneys owing to the Liquidity Facility Provider under the Liquidity Facility Agreement; and
 - B. unless a Swap Provider Event of Default is subsisting, all Secured Moneys owing to the Swap Provider;
- (vii) next, to pay *pari passu* all Secured Moneys owing to the Class A1 Noteholders under their Class A1 Notes (as at the date of payment);
- (viii) next, to pay *pari passu* all Secured Moneys owing to the Class A2 Noteholders under their Class A2 Notes (as at the date of payment);
- (ix) next, to pay *pari passu* all Secured Moneys owing to Class B Noteholders under their Class B Notes (as the date of payment);

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- (x) next, to pay ***pari passu*** all Secured Moneys owing to Class C Noteholders under their Class C Notes (as at the date of payment);
 - (xi) next, to pay ***pari passu*** all Secured Moneys owing to the Class D Noteholders under their Class D Notes (as at the date of payment);
 - (xii) next, to pay ***pari passu*** all Secured Moneys owing to the Class E Noteholders under their Class E Notes (as at the date of payment);
 - (xiii) next, to pay ***pari passu*** all Secured Moneys owing to the Class G1 Noteholders under their Class G1 Notes (as at the date of payment);
 - (xiv) next, to pay ***pari passu*** all Secured Moneys owing to the Class G2 Noteholders under their Class G2 Notes (as at the date of payment);
 - (xv) next, to pay ***pari passu*** all Secured Moneys owing to the Residual Income Unit Holders (as at the date of payment);
 - (xvi) next, to pay ***pari passu*** and rateably any amounts not covered above owing to any Mortgagee under any Transaction Document;
 - (xvii) next, the balance of any Secured Moneys owing to the Swap Provider;
 - (xviii) next, to pay the holder of any subsequent Security Interest over Assets of which the Security Trustee has notice of the amount properly secured by the Security Interest; and
 - (xix) next, to pay any surplus to the Trustee to be distributed in accordance with the Master Trust Deed and the Series Notice.
- (b) The surplus will not carry interest. If the Security Trustee or a Receiver, Mortgagee or Attorney pays the surplus to the credit of an account in the name of the Trustee with any bank carrying on business in Australia, the Security Trustee, Receiver, Mortgagee or Attorney (as the case may be) will be under no further liability in respect of it.

8.6 Security Trustee's Fee and Expenses

The Security Trustee will be entitled to a fee for acting as Security Trustee. The Trustee shall reimburse the Security Trustee for all costs and expenses of the Security Trustee properly incurred in acting as Security Trustee.

The Trustee indemnifies the Security Trustee against any loss, cost, liability, expense or damage under or in relation to the Transaction Documents, except to the extent that they arise from the Security Trustee's fraud, negligence or wilful misconduct.

8.7 Liability of Trustee as chargor limited to its right to indemnity

- (a) This limitation of the Trustee's liability applies despite any provision of any Transaction Document and extends to all Obligations of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Transaction Documents and to the extent of any inconsistency between the operation of this limitation and any provision of any Transaction Document, the terms of this section will prevail.
- (b) The Trustee enters into this transaction as trustee of the Trust and in no other capacity.
- (c) Any liability of the Trustee arising in connection with the Transaction Documents is limited to the extent to which the liability can be satisfied out of the assets of the Trust and out of which the Trustee is actually indemnified for the liability.
- (d) The Trustee is not obliged to do anything under the Transaction Documents (including incurring any liability) unless its liability is limited in a manner which is consistent with this Section 8.1 or otherwise in a manner satisfactory to the Trustee in its absolute discretion.
- (e) The provisions of this Section 8.1 do not apply to a liability to the extent that it is not satisfied because there is a reduction of the Trustee's indemnification out of the assets of the Trust as a result of the Trustee's fraud, negligence or wilful default.
- (f) No act or omission of the Trustee (including any related failure to satisfy its obligations or any breach of representation or warranty under the Transaction Documents) will be considered fraud, negligence or wilful default of the Trustee for the purpose of this Section 8.1 to the extent the act or omission was caused or contributed by any failure of another person to fulfil its obligations relating to the Trust, or by any other act or omission of any other person.
- (g) No attorney, agent or other person appointed in accordance with the Transaction Documents has any authority to act on behalf of the Trustee in a way which exposes the Trustee to any personal liability, and no act or omission of such a person will be considered fraud, negligence or wilful default of the Trustee for the purpose of this Section 7.1(i).
- (h) No party may sue the Trustee personally or seek the appointment of a liquidator, administrator, receiver or similar person to the Trustee, or prove in any liquidation administration or arrangement of or affecting the Trustee.
- (i) The Trustee (whether in its personal capacity or as trustee of the Trust) will not in any event be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits, loss of goodwill/reputation and loss of business opportunity), whether or not foreseeable, even if the Trustee has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made.

8.8 Retirement and removal

- (a) Subject to the appointment of a successor Security Trustee in accordance with the Security Trust Deed, the Security Trustee may retire on three months' notice in writing to the Trustee, the Trust Manager and each Designated Rating Agency.
- (b) Subject to the appointment of a successor Security Trustee in accordance with the Security Trust Deed, the Trust Manager may remove the Security Trustee:
 - (i) if any of the following occurs:
 - A. an Insolvency Event occurs in relation to the Security Trustee in its personal capacity;
 - B. the cessation by the Security Trustee of its business;
 - C. failure of the Security Trustee to remedy within 14 days after written notice by the Trust Manager any material breach of duty on the part of the Security Trustee; or
 - D. if without the prior written consent of the Trust Manager there occurs certain changes in the control or management of the Security Trustee;
 - E. the establishment by any means of any trust under which any third party becomes a beneficial owner of any of the Security Trustee's rights under the Security Trust Deed; or
 - (ii) by a Mortgagee Extraordinary Resolution by the Mortgagees (or, at any time after the Charge becomes enforceable, an Extraordinary Resolution of the Voting Mortgagees).

9. SUPPORT FACILITIES

9.1 General

As at the Closing Date, the relevant Support Facilities in relation to the Trust are:

- (a) the Liquidity Facility Agreement; and
- (b) the Swap Agreement.

9.2 Liquidity Facility Agreement

(a) Purpose of the Liquidity Facility

Borrowers may prepay an amount of principal under their Loans and then cease to make scheduled payments under the terms of their Loans. This can affect the ability of the Trustee to make timely payments of interest to Noteholders. Further, if Borrowers fail to make monthly payments in respect of their Loans (other than where a Borrower has prepaid principal under his or her Loan) this may also affect the ability of the Trustee to make timely payments of interest to Noteholders.

The facility provided by the Liquidity Facility Provider to the Trustee under the Liquidity Facility Agreement helps to mitigate the risk of a liquidity deficiency should either of these situations occur.

(b) Liquidity Facility Provider

The initial Liquidity Facility Provider will be NAB.

(c) The Liquidity Limit

- (i) The maximum liability of the Liquidity Facility Provider under the Liquidity Facility is an amount equal to the Liquidity Limit being, at any time the lesser of:

A. the greater of:

- 1) 1.0% of the aggregate Principal Amount of Notes; and
- 2) 0.1% of the aggregate Principal Amount of the Notes issued on the Issue Date;

B. the amount (if any) to which the Liquidity Limit has been reduced at that time; and

C. the Performing Loans Amount at that time,

or such other amount as the Trust Manager and the Liquidity Facility Provider may agree from time to time provided that a Rating Notification has been given.

- (ii) The Trust Manager may cancel the Liquidity Facility (in whole or in part) by written notice to the Liquidity Facility

Provider and the Trustee if, prior to that cancellation, a Rating Notification in respect of the cancellation of the Liquidity Facility has been given by the Trust Manager.

- (iii) The Liquidity Facility Provider may reduce the Liquidity Limit in whole or in part by written notice to the Trustee and the Trust Manager if, prior to that reduction, the Trust Manager has given a Rating Notification in relation to the reduction of the Liquidity Limit. A partial cancellation of the Liquidity Limit must be for a minimum of \$1,000,000 and in a whole multiple of \$500,000.

(d) **Utilisation of the Liquidity Facility**

- (i) The Liquidity Facility will be available only if and to the extent that:
 - A. the Trust Manager determines on a Determination Date during the Availability Period that there will be a Liquidity Shortfall in respect of the immediately following Payment Date; or
 - B. a drawing in respect of the Liquidity Cash Collateral as described in section 9.2(j) below.
- (ii) If, on any Determination Date during the Availability Period, the Trust Manager determines on a Determination Date that there will be a Liquidity Shortfall in respect of the immediately following Payment Date, the Trust Manager must arrange, by giving a direction to the Trustee, for a drawing to be made under the Liquidity Facility on the Payment Date immediately following that Determination Date in accordance with the Liquidity Facility Agreement and equal to the lesser of:
 - A. the Liquidity Shortfall; and
 - B. the Available Liquidity Amount,on that Determination Date.

(e) **Interest and Fees**

The duration that a Liquidity Draw is outstanding is divided into interest periods. Interest accrues daily on each Liquidity Draw made under the Liquidity Facility to meet a Liquidity Shortfall at the BBSW for that interest period plus a margin, calculated on days elapsed and a year of 365 days. On each Payment Date, the Trustee will pay to the Liquidity Facility Provider accrued interest on each Liquidity Draw to the extent that amounts are available for that purpose in accordance with the Series Notice (see section 6). If, on any Payment Date, all amounts due in accordance with this paragraph (but without regard to whether any funds were available for that purpose in accordance with the Series Notice and without regard to any limitation on the liability of the Trustee to pay the amounts) are not paid in full, on each

following Payment Date the Trustee must pay so much of the amounts as are available for that purpose in accordance with the Series Notice and the Liquidity Facility Agreement until such amounts are paid in full.

The Liquidity Facility Agreement incorporates a fallback regime in the event of a temporary disruption or permanent discontinuation of BBSW (or other applicable benchmark rate) that is similar to the fallback regime which applies in relation to the BBSW Rate in respect of the Notes (see section 5.34).

A commitment fee (the **Commitment Fee**) accrues daily from the date of the Liquidity Facility Agreement and is calculated on the Liquidity Limit based on the number of days elapsed and a 365 day year. The commitment fee is payable monthly in arrears on each Payment Date in accordance with the Series Notice (see section 6).

(f) **Repayment of outstanding Liquidity Draws**

Each Liquidity Draw outstanding is repayable on each Payment Date, but only to the extent that there are funds available for this purpose in accordance with the Series Notice (see section 6). If outstanding Liquidity Draws are not repaid in full on a Payment Date, any unpaid amounts will be carried forward so that they are payable by the Trustee on each following Payment Date to the extent that funds are available for this purpose under the Series Notice (see section 6), until such amounts are paid in full.

(g) **Liquidity Events of Default**

Each of the following is an event of default (a **Liquidity Event of Default**) under the Liquidity Facility:

- (i) the Trustee fails to pay:
 - A. any amount due in respect of:
 - 1) interest as described in section 9.2(e) above;
 - 2) Commitment Fees as described in section 9.2(e); or
 - 3) principal as described in section 9.2(f) above or 9.2(j) below,

in full without regard to any limitation of the Trustee where funds are available for that purpose in accordance with the Series Notice; or
 - B. any other amount owing under the Liquidity Facility Agreement in the manner contemplated by the Liquidity Facility Agreement, when funds are available for such purpose under the cashflow allocation methodology set out in section 6,

in each case, within 10 days of its due date;

- (ii) an Event of Default occurs and is subsisting and the Security Trustee appoints a Receiver to the Assets of the Trust or is directed to sell or otherwise realise the Assets of the Trust in accordance with the Security Trust Deed;
- (iii) an Insolvency Event occurs in respect of the Trustee (in its capacity as trustee of the Trust) or an Insolvency Event occurs in respect of the Trustee (in its personal capacity) and a new trustee is not appointed within 60 Business Days of the occurrence of that event;
- (iv) the Trustee alters the priority of payments under the Transaction Documents without the consent of the Liquidity Facility Provider or breaches its undertakings in the Liquidity Facility Agreement and such breach is reasonably likely to have a "Material Adverse Effect" (as such term is defined in the Liquidity Facility Agreement) in respect of the Liquidity Facility Provider; or
- (v) any representation and warranty made or deemed to be made by the Trustee in the Liquidity Facility Agreement is not true and correct when made or deemed to be made and the failure to make such true and correct representations and warranties is reasonably likely to constitute a "Material Adverse Effect" (as such term is defined in the Liquidity Facility Agreement).

At any time while a Liquidity Event of Default is subsisting under the Liquidity Facility, the Liquidity Facility Provider may, by written notice to the Trustee, declare all outstanding Liquidity Draws, accrued interest and all other sums which have accrued due under the Liquidity Facility Agreement immediately due and payable and declare the Liquidity Facility terminated (in which case the obligations of the Liquidity Facility Provider under the Liquidity Facility Agreement will immediately terminate).

(h) **Termination**

- (i) The Liquidity Facility will terminate, and the Liquidity Facility Provider's obligation to make any advances will cease, on the earliest of the following to occur:
 - A. one day after the Maturity Date;
 - B. the date upon which all Notes have been fully and finally redeemed in full in accordance with the Transaction Documents in respect of the Trust, and the Trust Manager has notified the Trustee that it does not intend that any further Notes will be issued in respect of the Trust;
 - C. the termination date appointed by the Liquidity Facility Provider if it becomes illegal or impossible for the Liquidity Facility Provider to

maintain or give effect to its obligations under the Liquidity Facility Agreement as a result of a change of law or its interpretation;

- D. the date upon which the Liquidity Limit is cancelled in full or reduced to zero (see section 9.2(c) above);
 - E. the date on which the Liquidity Facility Provider declares the Liquidity Facility terminated while a Liquidity Event of Default under the Liquidity Facility is subsisting; and
 - F. the Liquidity Facility Provider Termination Date (as described below).
- (ii) The Trust Manager may by giving not less than 5 Business Days' notice to the Liquidity Facility Provider and the Trustee, declare a Payment Date as the date upon which:
- A. the Liquidity Facility Provider will be replaced by a substitute Liquidity Facility Provider; and
 - B. the Liquidity Facility will terminate.
- (iii) On or before such declaration of the Payment Date by the Trust Manager, the Trust Manager must give a Rating Notification in relation to the termination of the Liquidity Facility and the appointment of the proposed substitute Liquidity Facility Provider on that Payment Date.
- (iv) The Liquidity Facility Provider Termination Date will be the later of:
- A. such Payment Date declared by the Trust Manager; and
 - B. the date upon which the Trustee has paid or repaid to the Liquidity Facility Provider all Liquidity Draws outstanding on such Payment Date declared together with all accrued but unpaid interest and all other sums due to the Liquidity Facility Provider under the Liquidity Facility Agreement.

(i) **Ratings Downgrade of Liquidity Facility Provider**

If, on any day during the availability period of the Liquidity Facility, the Liquidity Facility Provider does not have the Required Liquidity Rating from each Designated Rating Agency, the Liquidity Facility Provider must within 14 calendar days (or such longer period as may be agreed by the Liquidity Facility Provider and the Trust Manager (provided the Trust Manager has given a Rating Notification in respect of such period)) take any one of the following actions (as determined by the Liquidity Facility Provider in its discretion):

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- (i) procure another person with the Required Liquidity Rating to assume its obligations under this agreement, notice of which must be given to each Designated Rating Agency; or
 - (ii) provide a drawing under the Liquidity Facility equal to the un-utilised portion of the Liquidity Limit as described in section 9.2(j) below; or
 - (iii) take such other steps provided that the Trust Manager has given a Rating Notification in respect of such steps.

Notwithstanding that the Liquidity Facility Provider has elected to satisfy its obligations pursuant to this paragraph in a particular manner, it may subsequently and from time to time vary the manner in which it satisfies its obligations pursuant to this section, provided one of paragraphs (a), (b) or (c) above is satisfied at all relevant times.

(j) **Liquidity Cash Collateral**

- (i) If the Liquidity Facility Provider makes an election to provide a drawing under the Liquidity Facility equal to the un-utilised portion of the Liquidity Limit as described in section 9.2(i) above, the Trust Manager must arrange for the Trustee to make a drawing under the Liquidity Facility, by no later than the time prescribed under section 9.2(i) in the case of paragraph (ii) above, equal to the un-utilised portion of the Liquidity Limit at that time and upon receipt of notice to that effect by the Trustee or the Trust Manager, the Liquidity Facility Provider will deposit into a separate account with an Approved Bank opened in the name of the Trustee (a ***Collateral Account***) the amount of such drawing (the ***Liquidity Cash Collateral***).

Thereafter, if the Trust Manager determines that a Liquidity Shortfall has occurred, the amount of such shortfall must be satisfied from the moneys on deposit in the Collateral Account.

- (ii) If:
 - A. the Liquidity Facility is terminated (other than as a result of the final Maturity Date occurring);
 - B. the Trust Manager determines after giving a Rating Notification that the Liquidity Cash Collateral is no longer required; or
 - C. a replacement Liquidity Facility Provider with the Required Liquidity Rating is appointed,

the Trustee, acting at the direction of the Trust Manager (who must give such direction), must repay to the Liquidity Facility Provider the then current balance of the Collateral Account (but where paragraph (ii) applies, not until the Payment Date specified in the relevant notice or, where

paragraph (iii) applies, at the time that the commitment of the replacement Liquidity Facility Provider commences).

- (iii) If at any time the then current balance of the Collateral Account is in excess of the then Available Liquidity Amount, the Trustee must at the direction of the Trust Manager (which the Trust manager must give) repay to the Liquidity Facility Provider the difference between the balance of the Collateral Account and the Available Liquidity Amount at that time. If the Trust Manager fails to give a direction to the Trustee when required by this section to do so, the Liquidity Facility Provider may give reasonable evidence to the Trustee that the then current balance is in excess of the then Available Liquidity Amount and the Trustee must promptly pay that excess to the Liquidity Facility Provider.

(k) **Trustee Undertakings**

The Trustee has undertaken to the Liquidity Facility Provider to (among other things):

- (i) do everything and take all such actions which are necessary (including, without limitation, obtaining all such authorisations and approvals as are appropriate) to ensure that it is able to exercise all its powers and remedies and perform all its obligations under this agreement all its material obligations under and any other arrangements entered by it pursuant to the Transaction Documents to which it is party; and
- (ii) not consent to amend or revoke or consent to the amendment or revocation of any material provisions of any Transaction Document without the prior written consent of the Liquidity Facility Provider (such consent not to be unreasonably withheld).

9.3 Swap Agreement

(a) **Interest Rate Swap**

Under the Swap Agreement, the Swap Provider has agreed, on each Payment Date, to pay an amount for each Interest Period calculated by reference to AUD-BBSW (as defined in the Swap Agreement) plus a margin based on the aggregate unpaid principal amount of all Purchased Loans which are Fixed Rate Loans as at the first day of the Collection Period.

The Trustee has agreed, on each Payment Date, to pay an amount for each Collection Period equal to the amounts in the nature of interest received by the Trustee from any Borrower in respect of any Purchased Loan which is a Fixed Rate Loan during that Collection Period.

The terms of the Swap Agreement provide for netting of swap payments.

(b) **Term**

The Swap Agreement commences on the date specified in the relevant confirmation (the *Effective Date*) and terminates on the earlier of:

- (i) the date which is one month after the Notes have been redeemed in full in accordance with the Series Notice;
- (ii) the date on which the Trustee enters into a swap transaction to replace the Swap Agreement, subject to a Rating Notification; or
- (iii) the Maturity Date.

(c) **Downgrade of Swap Provider**

If, as a result of the withdrawal or downgrade of the Swap Provider's credit rating by any Designated Rating Agency, the Swap Provider does not have the ratings specified in the Swap Agreement, the Swap Provider must within certain prescribed time periods specified in the Swap Agreement at its cost take certain steps in accordance with the Swap Agreement (for example, lodging collateral or seeking a guarantor or replacement swap counterparty). If the Swap Provider subsequently acquires the ratings specified in the Swap Agreement or otherwise enters into alternative support arrangements in accordance with the Swap Agreement, all collateral (or the equivalent thereof, as appropriate) transferred by the Swap Provider will be retransferred to the Swap Provider and the Swap Provider will not be required to transfer any additional collateral.

If the Swap Provider lodges collateral with the Trustee, any interest or income on that cash collateral will be paid to the Swap Provider, provided that any such interest or income will only be payable to the extent that any payment will not reduce the balance of the collateral to less than the amount required to be maintained.

The Trustee may only make withdrawals of the collateral in accordance with the Swap Agreement.

10. TAXATION

Set out below is a summary of certain Australian taxation matters relating to subscription for, holding and dealing in Notes. It is a summary only, and does not purport to apply to any particular Noteholder or their circumstances. It is based on advice received by the Trust Manager on the basis of Australian law as in effect on the date of this Information Memorandum, which is subject to change (possibly with retroactive effect). None of the Trustee, Bluestone, the Security Trustee, the Trust Manager, the Servicer, the Arranger, the Joint Lead Managers or the Liquidity Facility Provider provide or purport to provide any tax advice in relation to any Note or to any Noteholder. Noteholders and prospective Noteholders should seek and only rely upon their own tax advice in relation to the tax implications of an investment in Notes.

10.1 The Noteholders

The Noteholders will derive interest income from their Notes. Australian resident Noteholders, and non-resident Noteholders who hold the Notes through a permanent establishment in Australia, will be assessable on the interest income for Australian tax purposes.

There may also be income or capital gains tax consequences in respect of any gains or profits made on the disposal of the Notes. However, a Noteholder who is not an Australian resident will ordinarily not be subject to Australian income or capital gains tax on any gains or profits made on the disposal of the Notes, provided:

- (a) that such gains or profits do not have an Australian source; or
- (b) the Noteholder does not hold the Notes in the course of carrying on business through a "permanent establishment" in Australia.

A gain arising on the sale of the Notes by a non-Australian resident holder, where the sale and all negotiations for and documentation of the sale are conducted and executed outside Australia, would not usually be regarded as having an Australian source.

10.2 Non-resident Noteholders

The Offered Notes are intended to be offered, and interest to be paid from time to time, in a manner which satisfies the exemption from interest withholding tax contained in Section 128F. However, interest withholding tax will be deducted in respect of payments of interest or amounts in the nature of interest paid to any Offshore Noteholder whom the Trustee knows or has reasonable grounds to suspect, at the time of payment, is an Offshore Associate of the Trustee other than one acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of an Australian registered scheme.

Section 128F provides that an issue of a debenture by the Trustee satisfies the public offer test if the issue resulted from the debentures being offered for issue to a dealer, manager or underwriter, in relation to the placement of debentures who, under an agreement with the Trustee, offered the debenture for sale within 30 days in a way covered by any of the following:

- (a) issued to at least 10 persons each of whom:

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- (i) was carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets; and
 - (ii) was not known, or suspected, by the company to be an associate of any of the other persons covered by this paragraph (a); or
 - (b) issued to at least 100 persons whom it was reasonable for the company to have regarded as either:
 - (i) having acquired debentures in the past; or
 - (ii) being likely to be interested in acquiring debentures; or
 - (c) as a result of being accepted for listing on a stock exchange, where the Trustee had previously entered into an agreement with a dealer, manager, or underwriter, in relation to the placement of debentures, requiring the Trustee to seek such listing; or
 - (d) as a result of negotiations being initiated publicly in electronic form, or in another form, that was used by financial markets for dealing in debentures.

Where the Offered Notes are offered by dealers within 30 days from the date of issue, in one of the abovementioned ways, the Offered Notes will satisfy the Section 128F exemption from interest withholding tax provided that the Offered Notes are not knowingly, or with a reasonable suspicion, sold to an Offshore Associate of the Trustee other than one acting in the capacity of a dealer, manager or underwriter in relation to the placement of the Offered Notes or of a clearing house, custodian, funds manager or responsible entity of an Australian registered scheme.

Notes which are not Offered Notes will not be offered in a manner which satisfies the exemption from interest withholding tax contained in Section 128F. Interest that is paid under such Notes to a Noteholder who is either a non-resident of Australia who does not derive that interest in carrying on business at or through a permanent establishment in Australia, or to a resident of Australia who derives that interest in carrying on business at or through a permanent establishment outside of Australia, will be subject to Australian interest withholding tax (currently at the rate of 10%), unless another exemption applies (for example, under an applicable tax treaty).

Noteholders and prospective Noteholders should seek and only rely upon their own tax advice in relation to the tax implications of an investment in Notes.

10.3 Australian resident Noteholders

The Trustee may need to withhold tax under the PAYG regime where interest is paid to a Noteholder who is a resident of Australia or a non-resident holding the Notes and deriving interest under the Notes in carrying on business at or through a permanent establishment of the Noteholder in Australia, who does not provide the Trustee, by the time the Trustee makes the payment, with either:

- (a) a tax file number (*TFN*);

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- (b) an Australian Business Number (*ABN*); or
 - (c) proof of an exemption from the need to provide a TFN.

The rate of withholding tax is currently 47%.

10.4 Goods and Services Tax (*GST*)

The GST in Australia may have an impact on the cost of goods, services and other things acquired by the Trust (which is treated as a separate entity for GST purposes).

GST is payable by all entities that make taxable supplies under the GST law in Australia.

Neither the issue nor receipt of the Notes will give rise to taxable supplies upon which the Trust will be liable to pay GST. This is on the basis that the supply of Notes by the Trust will be either an input taxed financial supply or (in the case of an offshore non-resident subscriber outside Australia at the time of the supply) a GST-free supply.

Furthermore, neither the payment of principal or interest by the Trust, nor the redemption or disposal of the Notes, should give rise to any GST liability for the Trust in Australia.

The supply of some services to the Trust will be taxable supplies upon which the relevant service providers (including the Trustee in its personal capacity) will be liable to pay GST.

Where GST is payable by a supplier in relation to a supply made to the Trust:

- (a) in the ordinary course of business, the relevant supplier would either specifically charge the Trust an additional amount on account of GST or negotiate a GST-inclusive fee; and
- (b) where available, the Trust will claim a full input tax credit or a reduced input tax credit (generally equal to 75% of the GST payable by the supplier on the taxable supplies made to the Trust) from the Australian Taxation Office for its acquisition from the supplier. To the extent that an acquisition relates to GST-free supplies made by the Trust, full input tax credits will be available. However, to the extent that an acquisition by the Trust relates to input taxed financial supplies made by the Trust, the Trust will be restricted in its ability to claim input tax credits. However, a reduced input tax credit may be available if the acquisition falls within a category of "reduced credit acquisitions" prescribed in the GST regulations.

To the extent that the Trust cannot claim a full input tax credit or reduced input tax credit, the expenses of the Trust will increase and the funds available for distribution by the Trust will be reduced. This may adversely affect Noteholders.

10.5 Thin Capitalisation

The thin capitalisation rules in Australian tax legislation currently exempt certain special purpose entities such as securitisation vehicles from their operation.

We note that Australia's thin capitalisation rules are currently in the process of being revised, with the revised regime intended to apply from 1 July 2023. While the precise parameters of the revised regime are yet to be finalised, the above-mentioned exemption for certain special purpose entities is currently proposed to be retained, as reflected in Treasury Laws Amendment (Making Multinationals Pay Their Fair Share - Integrity and Transparency) Bill 2023. The proposed introduction of a new debt deduction creation limitation rules in a proposed Subdivision 820-EAA of the 1997 Act are also expressly stated to have no application to special purpose entities that have the benefit of the above-mentioned exemption.

On 5 December 2023, the Senate referred the Government amendments on sheet RU100 to the Bill to the Senate Economics Legislation Committee (**SELC**) for inquiry and report by 5 February 2024. In the report of the SELC dated 5 February 2024, the SELC recommended that the Government amendments to the Treasury Laws Amendment (Making Multinationals Pay Their Fair Share - Integrity and Transparency) Bill 2023 be agreed to and that the Bill be passed as amended.

If, notwithstanding the above, the thin capitalisation measures were to apply to the Trust in a manner that denied interest deductions that could otherwise have been allowable (for instance, as a result of the introduction of new debt deduction limitation rules for debt creation in proposed Subdivision 820-EAA of the Australian Tax Act), there would be increased Net Tax Income. Nevertheless, the income tax position of the Trust would be preserved as discussed above at section 7.10.

10.6 Consolidation

In general terms, a consolidated or consolidatable group (for income tax purposes) consists of a head company and all companies or trusts that are wholly-owned Australian subsidiaries of the head company. If 100% of the units in a trust are owned by an entity that is part of a consolidated group, that trust may be consolidated as part of such group.

Since all beneficial interests in the Trust were held by Bluestone Capital Management Pty Limited (ABN 13 130 838 756) (**BCM**) as the sole beneficiary of the Trust at the date of the creation of the Trust, and BCM is a subsidiary member of the consolidated group of which Promontoria Falcon Holding Pty Ltd ACN 624 187 917 is the head company (the **Promontoria Falcon consolidated tax group**), the Trust was a subsidiary member of the Promontoria Falcon consolidated tax group from the date of its creation.

10.7 Other Taxes

Under current Australian law, there are no gift, estate or other inheritance taxes or duties. No ad valorem stamp duties or similar taxes should be payable by Noteholders on a transfer of any Notes.

10.8 Interest paid on the Notes

Interest paid by the Trustee in respect of the Notes will generally be tax deductible to the Trustee. Interest derived by Australian tax resident holders of the Notes or non-residents that hold such Notes through a permanent

establishment in Australia should be included in the assessable income of the recipient.

10.9 Taxation of Financial Arrangements ("TOFA")

Division 230 of the Australian Tax Act sets out principles and rules for the tax timing and character treatment of gains and losses from "financial arrangements", which are broadly defined to include arrangements under which a taxpayer has "cash settleable" legal or equitable rights or obligations to receive or provide a financial benefit of a monetary nature in the future.

Division 230 sets out six methods of recognising the quantum and timing of the income and expenses arising from a financial arrangement – accruals, realisation, fair value, foreign exchange retranslation, hedging financial arrangements and reliance on financial reports.

The accruals and realisation methods are the default methods of taxation under Division 230. Unless a taxpayer elects to apply the fair value, foreign exchange retranslation, hedging financial arrangements or reliance on financial reports methods, gains and losses arising from financial arrangements will be treated as assessable or deductible on an accruals basis or realisation basis.

Broadly, the accruals tax-timing method will apply where there is a sufficiently certain overall gain or loss or a sufficiently certain particular gain or loss in respect of a financial arrangement. If there is neither a sufficiently certain overall gain or loss nor a sufficiently certain particular gain or loss in respect of a financial transaction, it will be subject to the realisation tax-timing method.

Generally, the rules treat gains as assessable and losses a tax-payer makes in gaining or producing their assessable income as deductible.

The rules effectively remove the capital/revenue distinction for income and expenses from most financial arrangements by placing them on revenue account.

Division 230 applies to all financial arrangements that a taxpayer starts to have during income years commencing on or after 1 July 2010, unless specifically exempt under the Division, or where the taxpayer elects to apply Division 230 early to income years commencing on or after 1 July 2009.

The Australian Taxation Office has been in discussions with industry groups as to the application of the provisions to financial arrangements entered into by securitisation trusts such as the Trust. To date, various amendments have been proposed to the provisions. However, it is not expected that the outcome of any such TOFA and securitisation consultation forums or proposed reforms to the TOFA provisions should cause the Trustee to be subject to income tax in respect of the Net Tax Income of the Trust.

11. SELLING RESTRICTIONS

11.1 General

Each Joint Lead Manager has represented, warranted and agreed that it will:

- (a) observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes; and
- (b) not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute the Information Memorandum or any offer material in any country or jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations.

11.2 Australia

- (a) Each Joint Lead Manager acknowledges that no offering circular, prospectus or other disclosure document (as defined in the Corporations Act) in relation to any Notes has been lodged with ASIC or the ASX.
- (b) Each Joint Lead Manager has agreed that it:
 - (i) has not, directly or indirectly, offered for issue or sale or invited applications for the issue of or for offers to purchase nor has it sold the Notes;
 - (ii) will not, directly or indirectly, offer for issue or sale or invite applications for the issue of or for offers to purchase nor will it sell the Notes; and
 - (iii) has not distributed and will not distribute any draft, preliminary or definitive offering circular, or any advertisement or other offering material in relation to the Notes,

in Australia, its territories or possessions unless:

- (iv) the amount payable for the Notes on acceptance of the offer by each offeree or invitee is a minimum amount of \$500,000, or its equivalent in another currency (disregarding amounts, if any, lent by the Trustee or other person offering the Notes or any Associate of them) or the offer or invitation is otherwise an offer or invitation for which no disclosure is required to be made under Part 6D.2 of the Corporations Act; and
 - (v) the offer, invitation or distribution is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act and complies with all applicable laws, regulations and directives in relation to the offer, invitation or distribution and does not require any document to be lodged with ASIC or the ASX.
- (c) Each Joint Lead Manager has agreed:

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- (i) to offer the Offered Notes for which it has an allocation for sale within 30 days of the date of this agreement:
- A. to at least 10 persons each of whom:
- 1) was carrying on a business of providing finance, investing in or dealing in securities, in the course of operating in financial markets; and
 - 2) was not known, or suspected, by it to be an associate of any other person covered by this sub-paragraph A.; or
- B. to at least 100 persons who it would be reasonable to regard as either:
- 1) having acquired instruments similar to the Offered Notes in the past; or
 - 2) likely to be interested in acquiring such instruments; or
- C. as a result of negotiations being initiated publicly in electronic form, or in another form, that is used by financial markets for dealing in instruments similar to the Offered Notes; and
- (ii) that it shall not:
- A. offer the Offered Notes to an Offshore Associate of the Trustee or Bluestone, as set out in a list provided to the Joint Lead Managers by the Trustee and Bluestone; and
- B. sell any Offered Notes to any person if, at the time of such sale, its employees making the offer, effecting the sale or otherwise involved in the sale know or have reasonable grounds to suspect that the Offered Notes, or an interest in the Offered Notes, will be acquired by an Offshore Associate of the Trustee,

other than an Offshore Associate acting in the capacity of a dealer, manager or underwriter in relation to the placement of the Offered Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of an Australian registered scheme.

11.3 United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or the Securities Laws of any State of the United States or other jurisdiction, that the Trustee has not been, and will not be, registered as an investment company under the United States Investment Company Act of 1940, as amended (the **Investment Company Act**) and that the

Notes may not be offered or sold within the United States of America or to, or for the account or benefit of, “US persons” (**US Persons**, as defined in Regulation S under the Securities Act (**Regulation S**)) at any time except in accordance with Regulation S and applicable State or local securities laws or pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. In addition, the Notes have not been and will not be resold in the United States or to US persons unless they are subsequently registered or an exemption from registration is available. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to US tax law requirements and may not be offered, sold or delivered within the United States of America or its possessions or to a United States person, except in certain transactions permitted by US tax regulations.

Each Joint Lead Manager has represented, warranted and agreed that it will not offer or sell Notes in the United States or to, or for the account of, US Persons:

- (a) as part of its distribution at any time; or
- (b) otherwise until 40 days after the later of (i) the commencement of the offering of the Notes to persons other than distributors in reliance on Regulation S and (ii) the Closing Date (**Restricted Period**),

In addition, until the end of the Restricted Period, any offer or sale of the Notes within the United States by a dealer, whether or not participating in the offering, may violate the registration requirements of the Securities Act.

Each Joint Lead Manager has agreed that neither it nor its affiliates nor any person acting on its or their behalf have engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902 under the Securities Act) with respect to the Notes, and the Joint Lead Manager, its affiliates and all persons acting on its or their behalf have complied and will comply with the offering restrictions requirements of Regulation S.

Each Joint Lead Manager has also agreed that, at or prior to confirmation of sale of the Notes, the Joint Lead Manager will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Notes from it during the 40 day restricted period a confirmation or notice substantially to the following effect:

“The Notes covered hereby have not been registered under the United States Securities Act of 1933 as amended (the **Securities Act**) and may not be offered and sold within the United States or to, or for the account or benefit of, US persons:

- (a) as part of their distribution at any time: or
- (b) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Issue Date,

except any offer, sale, or offer and sale of the Notes within the United States by the Joint Lead Manager, whether or not participating in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”.

11.4 United Kingdom

Prohibition of sales to UK retail investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this agreement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**);
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) no 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of the domestic law by virtue of the EUWA; and
- (b) the express "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Each Joint Lead Manager has represented and agreed that:

- (c) it has complied with and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (**FSMA**) with respect to anything done in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (d) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Trustee.

11.5 European Economic Area

The Notes are not intended to be offered, sold or otherwise made available to and will not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) or in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of:

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- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
 - (b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (c) not a qualified investor as defined in the EU Prospectus Regulation.

For the purposes of this provision, the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

11.6 New Zealand

No action has been taken to permit the Notes to be directly or indirectly offered for sale or subscription to the public, including any retail investor or otherwise under any regulated offer, in terms of the Financial Markets Conduct Act 2013 of New Zealand (the **NZ FMCA**). In particular, no investment statement or prospectus under the NZ Securities Act or product disclosure statement under the NZ FMCA has been or will be prepared or lodged in New Zealand in relation to the Notes.

Accordingly, each Joint Lead Manager has represented and agreed that it has not and will not offer, directly or indirectly, the Notes for sale or transfer, and it has not distributed and will not distribute, publish, deliver or disseminate any offering memorandum or any other information or other material that may constitute an advertisement (as defined in the NZ FMCA) in relation to any offer of Notes, in New Zealand other than to ‘wholesale investors’ as that term is defined in clause 3(2)(a), (c) and (d) of Schedule 1 to the NZ FMCA, being a person who is:

- (a) an “investment business”;
- (b) “large”; or
- (c) a “government agency”,

in each case as defined in Schedule 1 to the NZ FMCA. For the avoidance of doubt, the Notes may not be directly or indirectly offered, sold, or delivered to, among others, any “eligible investors” (as defined in clause 41 of Schedule 1 to the NZ FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the NZ FMCA, meets the investment activity criteria specified in clause 38 of that Schedule.

In addition, no person may distribute any offering material or advertisement (as defined in the NZ FMCA) in relation to any offer of Notes in New Zealand other than to such permitted persons as referred to in the paragraph above.

11.7 Hong Kong

Each Joint Lead Manager has represented and agreed that:

- (a) it has not and will not offer or sell in Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), by means of any document, any Notes other than:
 - (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong, as amended (**SFO**) and excluding any rules made under the SFO; or
 - (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, as amended (**CWUMPO**) or which do not constitute an offer to the public within the meaning of the CWUMPO; and
- (b) it has not issued, or had in its possession for the purposes of the issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

11.8 Singapore

Each Joint Lead Manager has acknowledged that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**) under Chapter 289 of the SFA. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold Notes nor caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor as defined in section 4A of the SFA pursuant to Section 274 of the SFA; or
- (b) to an accredited investor (as defined in section 4A of the SFA) pursuant to and in accordance with the conditions specified in section 275 of the SFA.

Notification under Section 309B of the SFA: each Joint Lead Manager has acknowledged that the Trust Manager has notified each Joint Lead Manager that, unless otherwise specified before an offer of Notes, the Notes are “capital markets products other than prescribed capital market products” (as defined in the

Securities and Futures (Capital Markets Products) Regulations 2018) and “Specified Investment Products” (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

11.9 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the ***Financial Instruments and Exchange Act***) and, accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the account or benefit of, any Japanese Person, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any Japanese Person, except pursuant to an exemption from the registration requirements of and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

For the purposes of this paragraph, ***Japanese Person*** means a “resident” of Japan as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949), as amended. Any branch or office in Japan of a non-resident will be deemed to be a resident irrespective of whether such branch or office has the power to represent such non-resident.

12. TRANSACTION DOCUMENTS

The following documents and any other documents defined as such in the Series Notice, are the “**Transaction Documents**” in relation to the Trust and the Notes. These documents (other than the Dealer Agreement) will be available for inspection by the Noteholders and persons intending to acquire Notes during normal business hours at the offices of the Trust Manager. However, any person wishing to inspect these documents must first undertake not to disclose the contents of the documents without the prior written consent of the Trust Manager and must first execute an agreement in relation to their confidentiality in such form as the Trust Manager may require.

- (a) Master Trust Deed between the Trustee and the Trust Manager dated 28 August 2000 (the **Master Trust Deed**).
- (b) Bluestone Prime 2024-1 Trust Series Notice between the Trustee, the Trust Manager, the Approved Sellers, the Originators, the Servicer and the Security Trustee dated on or about 26 June 2024 (the **Series Notice**).
- (c) Security Trust Deed between the Trustee as chargor, the Security Trustee and the Trust Manager dated on or about 26 June 2024 (the **Security Trust Deed**).
- (d) Each Note or document evidencing a Note.
- (e) The Notice of Creation of Trust for the Bluestone Prime 2024-1 Trust dated 14 May 2024 (the **Notice of Creation of Trust**).
- (f) The Dealer Agreement between among others the Trustee, the Trust Manager and the Joint Lead Managers dated 20 June 2024 (the **Dealer Agreement**).
- (g) The Liquidity Facility Agreement between Trustee, the Trust Manager and the Liquidity Facility Provider dated on or about 26 June 2024 (the **Liquidity Facility Agreement**).
- (h) The ISDA Master Agreement between the Swap Provider, the Trust Manager and the Trustee and the Schedule and Credit Support Annex relating to it dated on or about 26 June 2024 and the Confirmation issued under it dated on or about 26 June 2024 the **Swap Agreement**).
- (i) The Mortgage Servicing Agreement between the Trustee, the Servicer and the Trust Manager dated 23 March 2007, as amended from time to time (the **Servicing Agreement**).
- (j) The Mortgage Origination Agreement dated 17 November 2000 between Permanent Custodians Limited and Bluestone, as amended from time to time (and acceded to by Bluestone Mortgages Pty Limited through the Series Notice) (the **Origination Agreement**).
- (k) The Back-up Servicing Agreement between the Trustee, the Servicer, the Back-up Servicer and the Trust Manager dated on or about 26 June 2024 (the **Back-up Servicing Agreement**).

13. GLOSSARY OF TERMS

<i>Accrued Interest Adjustment</i>	in relation to an Approved Seller and any Purchased Loans purchased from that Approved Seller, all interest and fees received by the Trustee in respect of those Purchased Loans accrued and unpaid up to (but excluding) the Closing Date provided that such interest and fees have not been outstanding for more than 30 days.
<i>Additional Repayment</i>	any repayment of principal made by a Borrower under a Purchased Loan which is in addition to the scheduled repayments or instalments which the Borrower is legally obliged to make in accordance with the terms of the Borrower's Loan Agreement.
<i>Adjustment Spread</i>	the adjustment spread as at the Adjustment Spread Fixing Date (which may be a positive or negative value or zero and determined pursuant to a formula or methodology) that is: (a) determined as the median of the historical differences between the BBSW Rate and AONIA over a five calendar year period prior to the Adjustment Spread Fixing Date using industry-accepted practices, provided that for so long as the Bloomberg Adjustment Spread is published and determined based on the five year median of the historical differences between the BBSW Rate and AONIA, that adjustment spread will be deemed to be acceptable for the purposes of this paragraph (a); or (b) if no such median can be determined in accordance with para (a), set using the method for calculating or determining such adjustment spread determined by the Trust Manager to be appropriate or, if the Trust Manager is unable to determine the quantum of, or a formula or methodology for determining, such adjustment spread, then as determined by an alternative financial institution (appointed by the Trust Manager in its sole discretion) acting in good faith and in a commercially reasonable manner.
<i>Adjustment Spread Fixing Date</i>	the first date on which a Permanent Discontinuation Trigger occurs with respect to the BBSW Rate.
<i>Administrator</i>	(a) in respect of the BBSW Rate, ASX Benchmarks Pty Limited (ABN 38 616 075 417); (b) in respect of AONIA, the Reserve Bank of Australia; and (c) in respect of any other Applicable Benchmark Rate, the administrator for that rate or benchmark or, if there is no administrator, the provider of that rate or benchmark, or in each case, any successor administrator or, as applicable, any successor administrator or provider.
<i>Administrator Recommended Rate</i>	the rate formally recommended for use as the replacement for the BBSW Rate by the Administrator of the BBSW Rate.

<i>Adverse Effect</i>	an event (including the withdrawal, qualification or a downgrade of a rating of a Note) which will materially and adversely affect the amount of any payment to be made to any Noteholder, or will materially and adversely affect the timing of such payment.
<i>Adverse Payment Effect</i>	an event which will materially and adversely affect the amount of any payment (excluding payments of Residual Interest) to be made to any Noteholder holding any Notes of the Highest Ranking Class of Notes, or will materially and adversely affect the timing of such payment.
<i>Agreed Procedures</i>	has the meaning given to that term in section 7.4(c).
<i>Amortisation Amount</i>	for a Payment Date means: (a) the amount equal to (1 minus the prevailing corporate tax rate applicable in Australia) multiplied by the amount available to be applied in respect of section 6.10(a)(xviii) (if any) on that Payment Date; or (b) otherwise, zero.
<i>Amortisation Ledger</i>	has the meaning given in section 6.21.
<i>Amortisation Ledger Balance</i>	means, at any time, the amount standing to the credit of the Amortisation Ledger at that time.
<i>AONIA</i>	the Australian dollar interbank overnight cash rate (known as AONIA).
<i>AONIA Fallback Rate</i>	in respect of an Interest Determination Date, the rate determined by the Trust Manager to be Compounded Daily AONIA for that Interest Determination Date plus the Adjustment Spread.
<i>Applicable Benchmark Rate</i>	initially, the BBSW Rate or, if a Permanent Fallback Effective Date has occurred with respect to the BBSW Rate, AONIA or the RBA Recommended Rate as applicable at such time in accordance with clause 4.15 or 4.16 of the Series Notice (as applicable), as generally described in section 5.32.
<i>Approved Bank</i>	a Bank which has assigned to it: (a) in the case of Fitch, a short term credit rating of at least F1 or a long term credit rating of at least A; and (b) in the case of S&P, a short term credit rating equal to or higher than A-1 or a long term credit rating of at least A, and which in each case is approved by the Trust Manager in writing.
<i>Approved Seller</i>	each Approved Seller set out in section 1.2, or any person who becomes an Approved Seller in accordance with the Transaction Documents.

<i>Approved Termination</i>	in relation to an agreement (including a Transaction Document), the termination of that agreement: (a) where the termination arises from full performance of the agreement in accordance with its terms (including, where relevant, payment in full); or (b) where the agreement entitles a party voluntarily to terminate the agreement and the agreement is so terminated.
<i>Arranger</i>	National Australia Bank Limited ABN 12 004 044 937.
<i>Arrears</i>	subsist in relation to a Purchased Loan at any time if, at that time, the current Loan Amount under that Purchased Loan is greater than the Scheduled Balance for that Purchased Loan, in each case as determined by the Servicer.
<i>Arrears Days</i>	in respect of a Purchased Loan at any time means the difference between the Scheduled Balance and current Loan Amount of that Purchased Loan at that time, represented in calendar days by reference to the scheduled instalment amount of the relevant Purchased Loan, as calculated on the Servicer's system in accordance with the Agreed Procedures.
<i>Arrears Loan</i>	any Loan: (a) in relation to which the relevant Borrower is in arrears in respect of any payment (which includes all fees and charges accrued and payable by the Borrower) and which payment is still outstanding; or (b) in respect of which a Default Event has occurred and which has not been remedied to the satisfaction of the Trust Manager or waived by or on behalf of the Trustee.
<i>Arrears Loan Right</i>	Loan Rights in respect of an Arrears Loan.
<i>Arrears Mortgage</i>	a Mortgage relating to an Arrears Loan.
<i>Arrears Related Security</i>	a Related Security relating to an Arrears Loan.
<i>Asset</i>	has the meaning in the Master Trust Deed in respect of the Trust, and includes: (a) any Loan, Mortgage or Related Security specified in a Sale Notice which are to be acquired in favour of the Trust; and (b) any Authorised Investment acquired by the Trust.
<i>Associate</i>	in relation to a person means a person that is taken to be an associate of the first mentioned person by virtue of Division 2 of Part 1.2 of the Corporations Act.
<i>ASX</i>	ASX Limited ABN 98 008 624 691.

<i>Austraclear</i>	Austraclear Limited or any other clearing system recognised by the Reserve Bank of Australia and the Australian Banking Association or any successor entity.
<i>Australian dollars, dollars and \$</i>	the lawful currency for the time being of Australia or any other currency specified in the Series Notice.
<i>Australian Tax Act</i>	the Income Tax Assessment Act 1997 (Cth) or the Income Tax Assessment Act 1936 (Cth), or both.
<i>Authorised Investments</i>	in respect of the Trust means any investments which at their date of acquisition are: (a) Loans, Loans secured by Mortgages, Loan Securities and any other related securities and rights under Loans acquired by the Trustee in accordance with the Transaction Documents; (b) Cash and/or deposits with an Approved Bank or certificates of deposit issued by an Approved Bank; (c) promissory notes or other negotiable instruments accepted, drawn or endorsed by an Approved Bank; (d) bonds, debentures, stock or treasury bills of any government of an Australian jurisdiction; (e) debentures or stock of any public statutory body constituted under the law of any Australian jurisdiction where the repayment of the principal secured and the interest payable thereon is guaranteed by that Australian jurisdiction; (f) notes or other securities of any government of an Australian jurisdiction; or (g) deposits with, or the acquisition of certificates of deposit (whether negotiable, convertible or otherwise), issued by, a Bank which carries on business in Victoria and New South Wales,

and which, in each case, satisfy the following conditions:

- (h) in the case of paragraphs (c) to (g) (inclusive), the relevant issuer or the relevant security or instrument (as applicable) has a rating of:
 - (i) in the case of Fitch, at least:
 - (A) A (long-term), in relation to Authorised Investments which have a maturity of up to 30 days; or
 - (B) AA- (long-term) or F1+ (short-term), in relation to all other Authorised Investments; and

- (ii) in the case of S&P:
 - (A) for investments maturing in 60 days or less, at least A-1; or
 - (B) for investments maturing in 365 days or less, at least AA- or A-1+;
- (i) each proposed investment must mature by the earlier of the following dates:
 - (i) the Payment Date following the date on which it was acquired; and
 - (ii) such other date as the Trustee and the Trust Manager may determine to be necessary to enable the Trustee to have sufficient cash to meet any Expenses of the Trust which may be payable prior to that Payment Date;
- (j) all Authorised Investments must be denominated in Australian dollars and held in Australia; and
- (k) all Authorised Investments must be held in the name of the Trustee or in the name of such other person or persons as approved by the Trustee, at the direction of the Trust Manager, from time to time and notified to each Designated Rating Agency,

but excluding any debt security 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).

Available Liquidity Amount

means on any Determination Date an amount equal to:

- (a) the Liquidity Limit on that Determination Date; less
- (b) the Liquidity Principal Outstanding on that Determination Date.

Availability Period

means the period commencing on the Issue Date and ending on the earlier of:

- (a) a date described in section 9.2(h); and
- (b) the Payment Date referred to in a notice given under section 9.2(h)(ii).

Available Income

in relation to the Trust for any Collection Period, the total of the following:

- (a) the Finance Charge Collections for the Trust for that Collection Period; plus

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- (b) to the extent not included in paragraph (a):
- (i) any interest income received by or on behalf of the Trustee during that Collection Period in respect of any moneys credited to the Collection Account in relation to the Trust;
 - (ii) amounts in the nature of interest otherwise paid by the Approved Sellers, the Servicer or the Trust Manager to the Trustee in respect of all Collections held by it;
 - (iii) all other amounts received by or on behalf of the Trustee in respect of the Assets in the nature of income;
 - (iv) any Liquidity Support Amount received by the Trustee during the period from (but excluding) the immediately preceding Determination Date to (and including) that Determination Date;
 - (v) all amounts received by or on behalf of the Trustee in the nature of income during that Collection Period from any provider of a Support Facility under that Support Facility and which the Trust Manager determines should be accounted for in respect of an Income Loss; and
 - (vi) any Capitalised Interest received by or on behalf of the Trustee during that Collection Period,

but excluding:

- (i) the Government Charges collected by or on behalf of the Trustee for that Collection Period;
- (ii) the aggregate of all bank fees and charges due to the Servicer or the Approved Sellers as agreed by them and consented to by the Trustee (that consent not to be unreasonably withheld) from time to time and collected by that person during that Collection Period;
- (iii) all Broker Trails payable by or on behalf of the Trustee with respect to that Collection Period, up to the amount specified in the Series Notice with respect to the Collection Period;
- (iv) Sundry Fees received by or on behalf of the Trustee for that Collection Period; and
- (v) any interest paid or to be paid in respect of the Liquidity Cash Collateral in accordance with the Liquidity Facility Agreement.

AVM	the “automated valuation model”, as provided for in accordance with the Originator’s Origination Procedures.
Back-up Servicer	AMAL Asset Management Ltd (ABN 31 065 914 918) or any replacement Back-up Servicer appointed in accordance with the Transaction Documents.
Back-up Servicing Agreement	the Back-up Servicing Agreement dated on or about 26 June 2024 between the Trustee, the Servicer, the Back-up Servicer and the Trust Manager.
Bank	(a) a corporation authorised under the Banking Act 1959 to carry on general banking business in Australia or a corporation formed or incorporated under an Act of the Parliament of an Australian Jurisdiction to carry on the general business of banking; or (b) where any Transaction Document requires money to be deposited by the Trustee outside Australia, a corporation authorised by the banking legislation of the relevant jurisdiction to carry on the general business of banking in that jurisdiction.
BBSW	the Australian dollar mid-rate benchmark for prime bank eligible securities (known as the Australian Bank Bill Swap Rate or BBSW).
BBSW Rate	for a Note for an Interest Determination Date, subject to condition 4.15 (Temporary Disruption Fallback) and condition 4.16 (Permanent Discontinuation Fallback) of the Series Notice, the per annum rate expressed as a decimal which is the level of BBSW for a period of one month provided by the Administrator and published as of the Publication Time on that Interest Determination Date provided that if the first Interest Period is longer than 1 month, the BBSW Rate for the first Interest Period will be the rate determined using straight line interpolation by reference to two rates where: (a) the first rate must be determined on the Interest Determination Date of that Interest Period as being the per annum rate expressed as a decimal which is the level of BBSW for a period of one month provided by the Administrator and published as of the Publication Time on that Interest Determination Date; and (b) the second rate must be determined on the Interest Determination Date of that Interest Period as being the per annum rate expressed as a decimal which is the level of BBSW for a period of two months provided by the Administrator and published as of the Publication Time on that Interest Determination Date.
BCM	Bluestone Capital Management Pty Limited ACN 130 838 756.
Beneficiary	the holder of a Unit.

Bill	a bill within the meaning of <i>Bills of Exchange Act 1909</i> (but does not include a cheque).
Bloomberg	Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time), as the provider of term adjusted AONIA and the spread.
Bloomberg Adjustment Spread	the term adjusted AONIA spread relating to the BBSW Rate provided by Bloomberg, on the Fallback Rate (AONIA) Screen (or by other means) or provided to, and published by, authorised distributors.
Bluestone	Bluestone Group Pty Limited (ABN 20 091 201 357).
Bluestone Group	the group of companies of which Bluestone is a member.
Bond Factor	in relation to a Class of Notes for any Payment Date, the ratio, expressed as a percentage (rounded to eight decimal places) equal to the aggregate of the Principal Amounts for all Notes of the Class on that Payment Date, divided by the aggregate of the Initial Principal Amounts for that Class of Notes.
Borrower	in relation to a Loan, the person who is the account debtor under that Loan, and includes where the context requires, any other person obligated to make payments with respect to that Loan (including any guarantor).
Broker Trail	in relation to a Purchased Loan (other than a Purchased Loan which at that time has 60 or more Arrears Days), the amount payable by or on behalf of the Trustee as a trailing commission in respect of that Loan in accordance with the arrangements made between the Trust Manager and the relevant broker for that Loan.
Business Day	any day, other than a Saturday, Sunday or public holiday on which Banks are open for business in Sydney and Melbourne.
Call Date	the earlier of: (a) the Payment Date occurring in July 2028; and (b) the Payment Date occurring immediately after the last day of a Collection Period on which the aggregate Loan Amount in respect of all Purchased Loans as at that day when expressed as a percentage of the aggregate Loan Amount of all Purchased Loans as at the Cut-Off Date is 20% or less.
Capitalised Interest	in relation to a Purchased Loan, any interest or fees or other amounts in the nature of income payable by the relevant Borrower which are in Arrears and which has been capitalised to the Loan Amount of that Purchased Loan in accordance with the relevant Loan Agreement (but excluding any Capitalisation Advance in relation to which funding has been allocated as described in section 6.3).

<i>Capitalisation Advance</i>	in relation to a Purchased Loan in respect of which any amount payable by the relevant Borrower (including any principal, interest or fees) is in Arrears, any increase in the Loan Amount of that Purchased Loan by an amount equal to the amount in Arrears, without the actual provision of further moneys to that Borrower.
<i>Carryover Charge Off</i>	in relation to the Trust at any time, a Carryover Class A1 Charge Off, a Carryover Class A2 Charge Off, a Carryover Class B Charge Off, a Carryover Class C Charge Off, a Carryover Class D Charge Off, a Carryover Class E Charge Off, a Carryover Class G1 Charge Off or a Carryover Class G2 Charge Off.
<i>Carryover Class A1 Charge Off</i>	on any Determination Date in relation to a Class A1 Note, the aggregate of Class A1 Charge Offs in relation to that Class A1 Note prior to that Determination Date and which have not been reinstated as described in section 6.13.
<i>Carryover Class A2 Charge Off</i>	on any Determination Date in relation to a Class A2 Note, the aggregate of Class A2 Charge Offs in relation to that Class A2 Note prior to that Determination Date and which have not been reinstated as described in section 6.13.
<i>Carryover Class B Charge Off</i>	on any Determination Date in relation to a Class B Note, the aggregate of Class B Charge Offs in relation to that Class B Note prior to that Determination Date which have not been reinstated as described in section 6.13.
<i>Carryover Class C Charge Off</i>	on any Determination Date in relation to a Class C Note, the aggregate of Class C Charge Offs in relation to that Class C Note prior to that Determination Date which have not been reinstated as described in section 6.13.
<i>Carryover Class D Charge Off</i>	on any Determination Date in relation to a Class D Note, the aggregate of Class D Charge Offs in relation to that Class D Note prior to that Determination Date and which have not been reinstated as described in section 6.13.
<i>Carryover Class E Charge Off</i>	on any Determination Date in relation to a Class E Note, the aggregate of Class E Charge Offs in relation to that Class E Note prior to the Determination Date which have not been reinstated as described in section 6.13.
<i>Carryover Class G1 Charge Off</i>	on any Determination Date in relation to a Class G1 Note, the aggregate of Class G1 Charge Offs in relation to that Class G1 Note prior to that Determination Date which have not been reinstated as described in section 6.13.
<i>Carryover Class G2 Charge Off</i>	on any Determination Date in relation to a Class G2 Note, the aggregate of Class G2 Charge Offs in relation to that Class G2 Note prior to that Determination Date which have not been reinstated as described in section 6.13.
<i>CBA</i>	Commonwealth Bank of Australia ABN 48 123 123 124.
<i>Class</i>	where used in relation to the Notes, means each class constituted by the Class A Notes, the Class B Notes, Class C Notes, the Class D

	Notes, the Class E Notes and the Class G Notes and where used in relation to Noteholders means the holders of Notes in the relevant Class or Classes of Notes.
<i>Class A Note</i>	a Class A1 Note or a Class A2 Note.
<i>Class A Noteholder</i>	a Class A1 Noteholder or a Class A2 Noteholder.
<i>Class A1 Charge Off</i>	in relation to a Class A1 Note, the amount of any reduction in the Class A1 Stated Amount for that Class A1 Note as described in section 6.15(i).
<i>Class A1 Note</i>	a Class A1S Note or a Class A1L Note.
<i>Class A1 Noteholder</i>	a Class A1S Noteholder or a Class A1L Noteholder.
<i>Class A1 Principal Payment</i>	a Class A1S Principal Payment or a Class A1L Principal Payment.
<i>Class A1 Stated Amount</i>	on a Determination Date and in relation to a Class A1 Note, an amount equal to: (a) the Initial Principal Amount for that Class A1 Note; less (b) the aggregate of all Class A1 Principal Payments made before that Determination Date with respect to that Class A1 Note (other than any amount applied to repay capitalised Interest on that Class A1 Note); less (c) Carryover Class A1 Charge Offs (if any) made in relation to that Class A1 Note; less (d) Class A1 Principal Payments (if any) to be made in relation to that Class A1 Note on the next Payment Date (other than any amount to be applied to repay capitalised Interest on that Class A1 Note); less (e) Class A1 Charge Offs (if any) to be made in relation to that Class A1 Note on the next Payment Date; plus (f) the amount (if any) of the Excess Available Income notionally applied in reinstating the Stated Amount of that Class A1 Note as described in section 6.13(a)(i) on that Determination Date.
<i>Class A1L Note</i>	a Note issued as a Class A1L Note by the Trustee with the characteristics of a Class A1L Note.
<i>Class A1L Noteholder</i>	a Noteholder of a Class A1L Note.
<i>Class A1L Principal Payment</i>	each payment to the Class A1L Noteholders as described in section 6.9(a)(viii) (to the extent it relates to capitalised Interest only), section 6.12(c) (to the extent it relates to a payment to Class A1L Notes), section 6.12(a)(i)A, section 6.12(b)(ii), section 6.20(f) or section 8.5(a)(vii) to the extent it relates to principal) (as the case may be).

<i>Class A1S Note</i>	a Note issued as a Class A1S Note by the Trustee with the characteristics of a Class A1S Note.
<i>Class A1S Noteholder</i>	a Noteholder of a Class A1S Note.
<i>Class A1S Principal Payment</i>	each payment to the Class A1S Noteholders as described in section 6.9(a)(viii) (to the extent it relates to capitalised Interest only), section 6.12(c) (to the extent it relates to a payment to Class A1S Notes), section 6.12(b)(i), section 6.20(g) or section 8.5(a)(vii) (as the case may be).
<i>Class A2 Charge Off</i>	in relation to a Class A2 Note, the amount of any reduction in the Class A2 Stated Amount for that Class A2 Note as described in section 6.15(h).
<i>Class A2 Note</i>	a Note issued as a Class A2 Note by the Trustee with the characteristics of a Class A2 Note.
<i>Class A2 Noteholder</i>	a Noteholder of a Class A2 Note.
<i>Class A2 Principal Payment</i>	each payment to the Class A2 Noteholders as described in section 6.9(a)(ix) (to the extent it relates to capitalised Interest only), section 6.12(c) (to the extent it relates to a payment to Class A2 Notes), section 6.12(a)(i)B, section 6.12(b)(ii) section 6.20(e) or section 8.5(a)(viii) (as the case may be).
<i>Class A2 Stated Amount</i>	on a Determination Date and in relation to a Class A2 Note, an amount equal to: (a) the Initial Principal Amount for that Class A2 Note; less (b) the aggregate of all Class A2 Principal Payments made before that Determination Date with respect to that Class A2 Note (other than any amount applied to repay capitalised Interest on that Class A2 Note); less (c) Carryover Class A2 Charge Offs (if any) made in relation to that Class A2 Note; less (d) Class A2 Principal Payments (if any) to be made in relation to that Class A2 Note on the next Payment Date (other than any amount to be applied to repay capitalised Interest on that Class A2 Note); less (e) Class A2 Charge Offs (if any) to be made in relation to that Class A2 Note on the next Payment Date; plus (f) the amount (if any) of the Excess Available Income notionally applied in reinstating the Stated Amount of that Class A2 Note as described in section 6.13(a)(ii) on that Determination Date.

<i>Class B Charge Off</i>	in relation to a Class B Note, the amount of any reduction in the Class B Stated Amount for that Class B Note as described in section 6.15(g).
<i>Class B Note</i>	a Note issued as a Class B Note by the Trustee with the characteristics of a Class B Note.
<i>Class B Noteholder</i>	a Noteholder of a Class B Note.
<i>Class B Principal Payment</i>	each payment to the Class B Noteholders as described in section 6.9(a)(x) or 6.10(a)(xi) (to the extent it relates to capitalised Interest only), section 6.12(c) (to the extent it relates to a payment to Class B Notes), section 6.12(a)(i)C, section 6.12(b)(iii), section 6.20(d) or section 8.5(a)(ix) (to the extent it relates to principal) (as the case may be).
<i>Class B Stated Amount</i>	on a Determination Date and in relation to a Class B Note, an amount equal to: (a) the Initial Principal Amount for that Class B Note; less (b) the aggregate of all Class B Principal Payments made before that Determination Date with respect to that Class B Note (other than any amount applied to repay capitalised Interest on that Class B Note); less (c) Carryover Class B Charge Offs (if any) made in relation to that Class B Note; less (d) Class B Principal Payments (if any) to be made in relation to that Class B Note on the next Payment Date (other than any amount to be applied to repay capitalised Interest on that Class B Note); less (e) Class B Charge Offs (if any) to be made in relation to that Class B Note on the next Payment Date; less (f) the amount (if any) of the Excess Available Income notionally applied in reinstating the Stated Amount of that Class B Note as described in section 6.13(a)(iii) on that Determination Date.
<i>Class C Charge Off</i>	in relation to a Class C Note, the amount of any reduction in the Class C Stated Amount for that Class C Note as described in section 6.15(f).
<i>Class C Note</i>	a Note issued as a Class C Note by the Trustee with the characteristics of a Class C Note.
<i>Class C Noteholder</i>	a Noteholder of a Class C Note.

<i>Class C Principal Payment</i>	each payment to the Class C Noteholder as described in section 6.9(a)(xi) or 6.10(a)(xii) (to the extent it relates to capitalised Interest only), section 6.12(c) (to the extent it relates to a payment to Class C Notes), section 6.12(a)(i)D, section 6.12(b)(v), section 6.20(c) or section 8.5(a)(x) (to the extent it relates to principal) (as the case may be).
<i>Class C Stated Amount</i>	on a Determination Date and in relation to a Class C Note, an amount equal to: (a) the Initial Principal Amount for that Class C Note; less (b) the aggregate of all Class C Principal Payments made before that Determination Date with respect to that Class C Note (other than any amount applied to repay capitalised Interest on that Class C Note); less (c) Carryover Class C Charge Offs (if any) made in relation to that Class C Note; less (d) Class C Principal Payments (if any) to be made in relation to that Class C Note (other than any amount to be applied to repay capitalised Interest on that Class C Note); less (e) Class C Charge Offs (if any) to be made in relation to that Class C Note on the next Payment Date; plus (f) the amount (if any) of the Excess Available Income notionally applied in reinstating the Stated Amount of that Class C Note as described in section 6.13(a)(iv) on that Determination Date.
<i>Class D Charge Off</i>	in relation to a Class D Note, the amount of any reduction in the Class D Stated Amount for that Class D Note as described in section 6.15(e).
<i>Class D Note</i>	a Note issued as a Class D Note by the Trustee with the characteristics of a Class D Note.
<i>Class D Noteholder</i>	a Noteholder of a Class D Note.
<i>Class D Principal Payment</i>	each payment to the Class D Noteholders as described in section 6.9(a)(xii) or 6.10(a)(xiii) (to the extent it relates to capitalised Interest only), section 6.12(c) (to the extent it relates to a payment to Class D Notes), section 6.12(a)(i)E, section 6.12(b)(vi), section 6.20(b) or section 8.5(a)(xi) (to the extent it relates to principal) (as the case may be).
<i>Class D Stated Amount</i>	on a Determination Date and in relation to a Class D Note, an amount equal to: (a) the Initial Principal Amount for that Note; less (b) the aggregate of all Class D Principal Payments made before that Determination Date with respect to that Class D

	Note (other than any amount applied to repay capitalised Interest on that Class D Note); less
(c)	Carryover Class D Charge Offs (if any) made in relation to that Class D Note; less
(d)	Class D Principal Payments (if any) to be made in relation to that Class D Note on the next Payment Date (other than any amount to be applied to repay capitalised Interest on that Class D Note); less
(e)	Class D Charge Offs (if any) to be made in relation to that Class D Note on the next Payment Date; plus
(f)	the amount (if any) of the Excess Available Income notionally applied in reinstating the Stated Amount of that Class D Note as described in section 6.13(a)(v) on that Determination Date.
<i>Class E Charge Off</i>	in relation to a Class E Note, the amount of any reduction in the Class E Stated Amount for that Class E Note as described in section 6.15(d).
<i>Class E Note</i>	a Note issued as a Class E Note by the Trustee with the characteristics of a Class E Note.
<i>Class E Noteholder</i>	a Noteholder of a Class E Note.
<i>Class E Principal Payment</i>	each payment to the Class E Noteholders as described in section 6.9(a)(xiii) or 6.10(a)(xiv) (to the extent it relates to capitalised Interest only), 6.12(c) (to the extent it relates to a payment to Class E Notes), section 6.12(a)(i)F section 6.12(b)(vii), section 6.20(a) or section 8.5(a)(xii) (to the extent it relates to principal) (as the case may be).
<i>Class E Stated Amount</i>	on a Determination Date and in relation to a Class E Note, an amount equal to: (a) the Initial Principal Amount for that Class E Note; less (b) the aggregate of all Class E Principal Payments made before that Determination Date with respect to that Class E Note (other than any amount applied to repay capitalised Interest on that Class E Note); less (c) Carryover Class E Charge Offs (if any) made in relation to that Class E Note; less (d) Class E Principal Payments (if any) to be made in relation to that Class E Note on the next Payment Date (other than any amount to be applied to repay capitalised Interest on that Class E Note); less (e) Class E Charge Offs (if any) to be made in relation to that Class E Note on the next Payment Date; plus

	(f) the amount (if any) of the Excess Available Income notionally applied in reinstating the Stated Amount of that Class E Note as described in section 6.13(a)(vi) on that Determination Date.
<i>Class G Note</i>	a Class G1 Note or a Class G2 Note.
<i>Class G Noteholder</i>	a Class G1 Noteholder or a Class G2 Noteholder.
<i>Class G1 Charge Off</i>	in relation to a Class G1 Note, the amount of any reduction in the Class G1 Stated Amount for that Class G1 Note as described in section 6.15(c).
<i>Class G1 Note</i>	a Note issued as a Class G1 Note by the Trustee with the characteristics of a Class G1 Note.
<i>Class G1 Noteholder</i>	a Noteholder of a Class G1 Note.
<i>Class G1 Principal Payment</i>	each payment to the Class G1 Noteholders as described in section 6.10(a)(xx), section 6.12(b)(viii), section 6.20(h) or section 8.5(a)(xiii) (to the extent it relates to principal) (as the case may be).
<i>Class G1 Stated Amount</i>	on a Determination Date and in relation to a Class G1 Note, an amount equal to: (a) the Initial Principal Amount for that Class G1 Note; less (b) the aggregate of all Class G1 Principal Payments made before that Determination Date with respect to that Class G1 Note (other than any amount applied to repay capitalised Interest on that Class G1 Note); less (c) Carryover Class G1 Charge Offs (if any) made in relation to that Class G1 Note; less (d) Class G1 Principal Payments (if any) to be made in relation to that Class G1 Note on the next Payment Date (other than any amount to be applied to repay capitalised Interest on that Class G1 Note); less (e) Class G1 Charge Offs (if any) to be made in relation to that Class G1 Note on the next Payment Date; plus (f) the amount (if any) of the Excess Available Income notionally applied in reinstating the Stated Amount of that Class G1 Note as described in section 6.13(a)(vii) on that Determination Date.
<i>Class G2 Charge Off</i>	in relation to a Class G2 Note, the amount of any reduction in the Class G2 Stated Amount for that Class G2 Note as described in section 6.15(b).
<i>Class G2 Note</i>	a Note issued as a Class G2 Note by the Trustee with the characteristics of a Class G2 Note.

<i>Class G2 Principal Payment</i>	each payment to the Class G2 Noteholders as described in section 6.10(a)(xxi), section 6.12(b)(ix) or section 8.5(a)(xiv) (to the extent it relates to principal) (as the case may be).
<i>Class G2 Stated Amount</i>	on a Determination Date and in relation to a Class G2 Note, an amount equal to: (a) the Class G2 Initial Principal Amount for that Class G2 Note; less (b) the aggregate of all Class G2 Principal Payments made before that Determination Date with respect to that Class G2 Note (other than any amount applied to repay capitalised Interest on that Class G2 Note); less (c) Carryover Class G2 Charge Offs (if any) made in relation to that Class G2 Note; less (d) Class G2 Principal Payments (if any) to be made in relation to that Class G2 Note on the next Payment Date (other than any amount to be applied to repay capitalised Interest on that Class G2 Note); less (e) Class G2 Charge Offs (if any) to be made in relation to that Class G2 Note on the next Payment Date; plus (f) the amount (if any) of the Excess Available Income notionally applied in reinstating the Stated Amount of that Class G2 Note as described in section 6.13(a)(viii) on that Determination Date.
<i>Closing Date</i>	27 June 2024.
<i>Collection Account</i>	in relation to the Trust, an account with CBA, or any other account, opened and maintained by the Trustee with an Approved Bank under the Master Trust Deed.
<i>Collection Period</i>	In relation to a Payment Date, the period from (and including) the first day of the calendar month immediately preceding the calendar month in which the Payment Date occurs to (and including) the last day of that calendar month. The first Collection Period is the period from (but excluding) the Closing Date to (and including) 31 July 2024. The Collection Period in relation to the final Payment Date is the period from (and including) the first day of the calendar month preceding the calendar month in which the final Payment Date occurs to (and including) that Payment Date.
<i>Collections</i>	in relation to the Trust for a period, Finance Charge Collections and Principal Collections for that period.
<i>Compounded Daily AONIA</i>	in respect of an Interest Determination Date, the rate which is the rate of return of a daily compound interest investment, calculated in accordance with the formula below:

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

where:

d means the number of calendar days in the relevant Interest Period;

d₀ means the number of Business Days in the Interest Period;

AONIA_{i-5BD} means the per annum rate expressed as a decimal which is the level of AONIA provided by the Administrator and published as of the Publication Time for the Business Day falling five Business Days prior to such Business Day “*i*”;

i is a series of whole numbers from 1 to *d₀*, each representing the relevant Business Day in chronological order from (and including) the first Business Day in the relevant Interest Period to (and including) the last Business Day in such Interest Period; and

n_i for any Business Day “*i*”, means the number of calendar days from (and including) such Business Day “*i*” up to (but excluding) the following Business Day.

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

Consumer Credit Legislation

means:

- (a) the NCCP Act;
- (b) the National Consumer Credit Protection (Fees) Act 2009 (Cth);
- (c) the National Consumer Credit Protection (Transitional and Consequential Provisions) Act (Cth);
- (d) the National Consumer Protection Amendment Act 2010 (Cth);
- (e) any acts or other legislation enacted in connection with any of the acts set out in paragraphs (a) to (d) and any regulations made under or in respect of any of the acts set out in paragraphs (a) to (d);
- (f) Division 2 of Part 2 of the Australian Securities and Investments Commission Act 2001 (Cth); and
- (g) any other Commonwealth, State or Territory legislation that covers conduct relating to credit activities (whether or

not it also covers other conduct), but only in so far as it covers conduct relating to credit activities.

<i>Corporations Act</i>	the Corporations Act 2001 (Cth).
<i>Creditor</i>	in relation to a Trust means a creditor of the Trustee (including the Security Trustee, the Noteholders, the Approved Sellers, the Trustee in its capacity as trustee of another Trust, the Servicer, the Trust Manager, the Support Facility Providers and the Arranger (if any) in relation to the Trust) in its capacity as trustee of the Trust.
<i>Cut-Off Date</i>	31 March 2024.
<i>Dealer</i>	each of NAB, CBA, ING, Macquarie, Westpac or Natixis.
<i>Dealer Agreement</i>	(a) the Dealer Agreement dated on or about the date of the Series Notice between, among others, the Trustee, the Trust Manager and the Dealers; or (b) any other Dealer Agreement relating to distribution, offering or sale of any Notes.
<i>Designated Rating Agency</i>	each of Fitch and S&P.
<i>Determination Date</i>	in relation to the Trust for a Collection Period, the date which is 2 Business Days prior to the Payment Date following the end of that Collection Period.
<i>EEA</i>	The European Economic Area
<i>Eligibility Criteria</i>	the criteria set out in section 4.4.
<i>Eligible Servicer</i>	any suitably qualified person in respect of whose appointment by the Trustee as Servicer under the Servicing Agreement the Trust Manager has given a Rating Notification.
<i>Enforcement Expenses</i>	the costs and expenses incurred by the Trustee, the Trust Manager or the Servicer in connection with the enforcement of any Purchased Loans or the related Loan Rights in accordance with the Servicing Agreement, or any other Transaction Document.
<i>EU</i>	the European Union
<i>EU Institutional Investor</i>	has the meaning given in section 2.13.
<i>EU Investor Requirements</i>	has the meaning given in section 2.13.
<i>EU Prospectus Regulation</i>	Regulation (EU) 2017/1129 (as amended).
<i>EU Securitisation Regulations</i>	has the meaning given in section 2.13.

<i>Event of Default</i>	has the meaning given in section 8.3.
<i>Excess Available Income</i>	for a Collection Period, the amount (if any) by which the Total Available Funds for the Collection Period exceeds amounts to be applied as described in section 6.9(a) on the Payment Date following that Collection Period.
<i>Expenses</i>	has the meaning in the Master Trust Deed and includes any Trustee's Fee, any Trust Manager's Fee, any Servicer Fee (including any Liquidity Support Reimbursement Amount payable by the Trustee to the Servicer in accordance with the terms of the Reimbursement Agreement), any Back-up Servicer fee and any Broker Trail not financed out of the assets of, or any financial accommodation provided in respect of, a Seller Trust (excluding any Redraw and also includes any fees and expenses payable to the ASX from time to time on behalf of the Trustee.
<i>Extraordinary Expenses</i>	in relation to a Collection Period means any out-of-pocket Expenses incurred by the Trustee in respect of that Collection Period which are not incurred in the ordinary course of carrying on its business as trustee of the Trust (as notified by the Trustee to the Trust Manager before the relevant Determination Date).
<i>Extraordinary Expense Reserve</i>	the reserve forming part of the Collection Account referred to in section 6.26.
<i>Extraordinary Expense Reserve Draw</i>	has the meaning in section 6.26.
<i>Extraordinary Expense Reserve Target Balance</i>	\$150,000 or such other amount agreed between Bluestone and the Trust Manager and notified by the Trust Manager to the Trustee and each Designated Rating Agency and in respect of which the Trust Manager has given a Rating Notification.
<i>Extraordinary Resolution</i>	in relation to the Noteholders of the Trust or any Class: (a) a resolution passed at a meeting of the Noteholders of the Trust or Class (as the case may be) duly convened and held in accordance with the Master Trust Deed by a majority consisting of not less than 75% of the votes able to be cast at that meeting by Noteholders of the Trust or Class (cast by show of hands or poll, as the case may be) (except in relation to all Noteholders where the votes must be cast by poll based on the Principal Amount of Notes held); or (b) a resolution in writing signed by all the Noteholders of the Trust or Class.
<i>Fair Market Value</i>	the market value as determined by the Trust Manager in good faith.
<i>Fallback Rate</i>	in respect of a Permanent Discontinuation Fallback for an Applicable Benchmark Rate, the rate that applies to replace that Applicable Benchmark Rate in accordance with the definition of Permanent Discontinuation Fallback. When calculating interest in circumstances where a Fallback Rate other than the Final Fallback Rate applies, that interest will be

	calculated as if references to the BBSW Rate were references to that Fallback Rate. When calculating interest in circumstances where the Final Fallback Rate applies, that interest will be calculated on the same basis as if the Applicable Benchmark Rate in effect immediately prior to the application of that Final Fallback Rate remained in effect but with necessary adjustments to substitute all references to that Applicable Benchmark Rate with corresponding references to the Final Fallback Rate.
<i>Fallback Rate (AONIA) Screen</i>	the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for the BBSW Rate accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time).
<i>FATCA</i>	the Foreign Account Tax Compliance Act.
<i>Fee Receipts</i>	means, in relation to a Collection Period, all amounts paid by Borrowers under any Purchased Loan during that Collection Period which are determined by the Trust Manager to be in respect of fees and other amounts in the nature of income (including switch fees, split fees, application fees, facility risk fees, establishment fee, loan settlement fees, title insurance fees, regional settlement fees, bank cheque fees, bank cheque cancellation fees, mortgage processing fees and document preparation costs and out of pocket expenses), other than amounts determined by the Trust Manager to be interest (including default interest).
<i>Final Fallback Rate</i>	in respect of an Applicable Benchmark Rate, the rate: (a) determined by the Trust Manager as a commercially reasonable alternative for the Applicable Benchmark Rate taking into account all available information that in good faith it considers relevant, provided that any rate (inclusive of any spreads or adjustments) implemented by central counterparties and / or futures exchanges with representative trade volumes in derivatives or futures referencing that Applicable Benchmark Rate will be deemed to be acceptable for the purposes of this paragraph (a); (b) if the Trust Manager is unable or unwilling to determine a reasonable alternative, determined by an alternative financial institution (appointed by the Trust Manager in its sole discretion) acting in good faith and in a commercially reasonable manner; or (c) if and for so long as the Trust Manager is unable to appoint an alternative financial institution or the appointed alternative financial institution is unable or unwilling to determine a rate in accordance with paragraph (b), which is the last provided or published level of that Applicable Benchmark Rate.

***Finance Charge
Collections***

for a Collection Period, the aggregate of:

- (a) the aggregate of all amounts received by or on behalf of the Trustee during that Collection Period in respect of interest, fees and other amounts in the nature of income payable under or in respect of the Purchased Loans and the related Loan Rights, to the extent not included within any other paragraph of this definition, including:
 - (i) any Liquidation Proceeds on account of interest;
 - (ii) any Enforcement Expenses recovered from or on behalf of a Borrower and which are on account of interest;
 - (iii) any payments by an Approved Seller to the Trustee on the repurchase of Purchased Loans under the Master Trust Deed during that Collection Period which are attributable to interest; and
 - (iv) any interest on Collections;
- (b) all amounts in respect of interest, fees and other amounts in the nature of income, received by or on behalf of the Trustee during that Collection Period including:
 - (i) from an Approved Seller, in respect of any breach of a representation, warranty or undertaking contained in the Master Trust Deed or the Series Notice;
 - (ii) from an Approved Seller under any obligation under the Master Trust Deed or the Series Notice to indemnify or reimburse the Trustee for any amount;
 - (iii) from the Servicer in respect of any breach of a representation, warranty or undertaking contained in the Servicing Agreement;
 - (iv) from the Servicer under any obligation under the Servicing Agreement to indemnify or reimburse the Trustee for any amount;
 - (v) from the Trustee in its personal capacity in respect of any breach of a representation, warranty or undertaking in respect of which it is not entitled to be indemnified out of the Assets of the Trust, or any indemnity from the Trustee in its personal capacity contained in the Transaction Documents; and
 - (vi) from the Trust Manager in respect of any breach of a representation, warranty or undertaking of the

Trust Manager, or any indemnity from the Trust Manager, contained in the Transaction Documents,

in each case which are determined by the Trust Manager, except for paragraphs (b)(v), (b)(vi) and (b)(viii) which will be determined by the Trustee, to be in respect of interest, fees and other amounts in the nature of income payable under the Purchased Loans and the related Loan Rights,

but excluding any such amounts which are excluded from the definition of *Available Income*.

Financial Advisor

a financial institution which is, in the reasonable opinion of the Trust Manager, experienced and competent in the assessment of investment cash flows and the provision of financial advice in relation thereto.

Fitch

Fitch Australia Pty Ltd ABN 93 081 339 184.

Fixed Rate Loan

any Loan in respect of which the relevant lender of record (or a person on its behalf) cannot vary the interest rate charged to the relevant Borrower for a specified period of time without the Borrower's consent.

Fully Verified

in relation to a loan, that the Borrower's income and ability to service the Loan has been verified as described in section 4.4.

General Insurance Policy

in relation to a Loan, an insurance contract for land and building insurance with respect to the property secured by the relevant Mortgage, including fire insurance, taken out with an insurer which:

- (a) is registered by the Insurance & Superannuation Commission under the Insurance Act 1974 (Commonwealth); and
- (b) has been approved by the Trust Manager.

Government Charges

for any Collection Period, the aggregate of all amounts collected by the Servicer or the Approved Sellers in that Collection Period in respect of the Purchased Loans and the related Loan Rights representing financial institutions duty, bank accounts debit tax or similar Taxes.

GST

any goods and services tax, broad based consumption tax or value added tax imposed by any Government Agency and includes any goods and services tax payable under the A New Tax System (Goods and Services Tax) Act 1999.

Hedge Agreement

any futures contract, option agreement, hedge, swap, cap, forward rate agreement or other arrangement in relation to interest rates and/or currency exchanges made by the Trustee (whether alone or with the Trust Manager or any other person) with respect to Purchased Loans or Notes.

Highest Ranking Class of Notes	at any time the Class of Notes then outstanding ranking in priority to all other Notes as determined by reference to the order of priority of payments on enforcement in section 8.5.
Income Loss	for a Collection Period, the amount of any Liquidation Loss as described in section 6.6(a).
Income Percentage	in relation to the holder of a Unit of any class of Units at any time, the subscription price paid by that person for that Unit divided by the total subscription prices of all Units in that class recorded in the Register at that time, expressed as a percentage.
Increased Cost	an amount payable to: (a) the Liquidity Facility Provider as a result of a Changed Costs Event as determined under the Liquidity Facility Agreement or under any indemnity under the Liquidity Facility Agreement, but does not include any margin, interest rate or fee payable under the Liquidity Facility Agreement, or any increase in such margin, interest rate or fee; and (b) the Dealers under any indemnity from the Trustee to the Dealers under the Dealer Agreement.
Initial Principal Amount	in respect of a Note, the amount (if any) specified in section 1.3 as the Initial Principal Amount of that Note.
ING	ING Bank N.V., Singapore Branch (AFSL 234557, ARBN 080 178 196).
Insolvency Event	in relation to the Trustee (in its personal capacity and as trustee of a Trust), the Trust Manager, an Approved Seller or a Servicer (each a relevant corporation) means the happening of any of the following events: (a) an administrator of the relevant corporation is appointed; (b) except for the purpose of a solvent reconstruction or amalgamation: (i) an application or an order is made, proceedings are commenced, a resolution is passed or proposed in a notice of meeting or an application to a court or other steps (other than frivolous or vexatious applications, proceedings, notices and steps) are taken for: (A) the winding up, dissolution or administration of the relevant corporation; or (B) the relevant corporation entering into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them; or

-
- (ii) the relevant corporation ceases, suspends or threatens to cease or suspend the conduct of all or substantially all of its business or disposes of or threatens to dispose of substantially all of its assets;
 - (c) the relevant corporation is or states that it is, or under applicable legislation is taken to be, unable to pay its debts (other than as the result of a failure to pay a debt or claim the subject of a good faith dispute) or stops or suspends or threatens to stop or suspend payment of all or a class of its debts (except, in the case of the Trustee where this occurs only in relation to another trust of which it is the trustee);
 - (d) a receiver, receiver and manager or administrator is appointed (by the relevant corporation or by any other person) to all or substantially all of the assets and undertaking of the relevant corporation or any part thereof (except, in the case of the Trustee where this occurs only in relation to another trust of which it is the trustee);
 - (e) an application is made to a court for an order appointing a liquidator or provisional liquidator in respect of the relevant corporation, or one of them is appointed, whether or not under an order;
 - (f) as a result of the operation of section 459F(1) of the Corporations Act, the relevant corporation is taken to have failed to comply with a statutory demand;
 - (g) the relevant corporation is or makes a statement from which it may be reasonably deduced that the relevant corporation is, the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act;
 - (h) the relevant corporation takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation; or
 - (i) anything analogous to an event referred to in paragraphs (a) to (h) (inclusive) or having substantially similar effect, occurs with respect to the relevant corporation.

Interest

in respect of a Note has the meaning given to that term in section 2.2.

Interest Determination Date

in respect of an Interest Period:

- (a) where the BBSW Rate applies or the Final Fallback Rate applies under paragraph (a)(iii) of the definition of Permanent Discontinuation Fallback, the first day of that Interest Period; and
- (b) otherwise, the fifth Business Day prior to the last day of that Interest Period.

<i>Interest Period</i>	in respect of a Note means the Interest Period for that Note determined as described in section 2.2(c).
<i>Interest Rate</i>	in respect of a Note has the meaning given to that term in section 2.2.
<i>Joint Lead Manager</i>	each of NAB, CBA, ING, Macquarie, Westpac and Natixis.
<i>Line of Credit Loan</i>	has the meaning given for the purposes of the Origination Procedures.
<i>Line of Credit Advance</i>	means any drawing by a Borrower under a Purchased Loan which is a Line of Credit Loan, but only to the extent that such drawing is a drawing on the line of credit under that Loan.
<i>Liquidation Loss</i>	for a Collection Period, the amount (if any) by which the Unpaid Balance of a Purchased Loan together with the Enforcement Expenses relating to the Purchased Loan and the related Loan Rights, exceeds the Liquidation Proceeds in relation to the Purchased Loan for that Collection Period.
<i>Liquidation Proceeds</i>	in relation to a Purchased Loan and the related Loan Rights which have been or are being enforced, all amounts recovered in respect of the enforcement of the Purchased Loan and the related Loan Rights.
<i>Liquidity Cash Collateral</i>	any cash collateral provided by the Liquidity Facility Provider by a drawing under the Liquidity Facility in accordance with section 9.2(j).
<i>Liquidity Draw</i>	has the meaning in section 6.5.
<i>Liquidity Facility</i>	the facility granted pursuant to the Liquidity Facility Agreement.
<i>Liquidity Facility Agreement</i>	means the Liquidity Facility Agreement dated on or about 26 June 2024 between the Trustee, the Trust Manager and the Liquidity Facility Provider and includes any other agreement entered into in substitution of the foregoing.
<i>Liquidity Facility Provider</i>	means, initially, NAB or any other person named as such in the Liquidity Facility Agreement from time to time.
<i>Liquidity Facility Provider Termination Date</i>	the later of: (a) such Payment Date declared by the Trust Manager; and (b) the date upon which the Trustee has paid or repaid to the Liquidity Facility Provider all Liquidity Draws outstanding on such Payment Date declared together with all accrued but unpaid interest and all other sums due to the Liquidity Facility Provider under the Liquidity Facility Agreement.
<i>Liquidity Limit</i>	has the meaning given to it in section 9.2(c).
<i>Liquidity Principal Outstanding</i>	means, on a Determination Date, an amount equal to:

	(a) the aggregate of all Liquidity Draws previously made or to be made on the immediately following Payment Date; less (b) any repayments or prepayments of all such Liquidity Draws made by the Trustee on or before the immediately following Payment Date.
<i>Liquidity Shortfall</i>	in relation to any Collection Period, the amount (if any) by which the Required Payments for that Collection Period exceed the aggregate of: (a) the Available Income for that Collection Period; and (b) any Principal Draw which the Trustee is required to make as described in section 6.4 on the Payment Date for that Collection Period.
<i>Liquidity Support Amount</i>	means any amount paid by the Servicer to the Trustee in accordance with the terms of any Reimbursement Agreement.
<i>Liquidity Support Reimbursement Amount</i>	means any amount payable by the Trustee to the Servicer in accordance with the terms of any Reimbursement Agreement
<i>Loan</i>	in relation to the Trust, the rights of the relevant Approved Seller or the Trustee (as the case may require) under or in respect of Loans (as defined in the Master Trust Deed (and where the context requires include the applicable Related Securities) (as defined in the Master Trust Deed for that Loan)).
<i>Loan Agreement</i>	in relation to a Loan, any agreement or arrangement under which the Borrower incurs obligations to the Trustee or an Approved Seller (as the case may be) with respect to the Loan.
<i>Loan Amount</i>	in relation to a Purchased Loan at any time, the outstanding principal amount of that Purchased Loan at that time.
<i>Loan Rights</i>	in relation to a Loan, all right, title, benefit and interest (present and future) in, to, and under or derived from: (a) the Loans, and the Mortgage and Guarantees for the Loan; and (b) such of the following as relate to the Loan: (i) the relevant loan and security documents; (ii) the Collections; (iii) all moneys present future actual or contingent, owing at any time by the Borrower (whether alone or with another person) or any other person under or in connection with the above, including all principal, interest, reimbursable costs and expenses and any other amount incurred or payable to the Trustee irrespective of whether such amounts relate to advances made or other financial

	accommodation provided by the Trustee to the Borrower before or after the Closing Date; and (iv) any relevant Insurance Policy and Mortgage Insurance Policy, but does not include: A. any interest or finance charges accrued up to but excluding the Closing Date which are unpaid as at close of business on that date; and B. any interest in collections received or applied before the Cut-Off Date.
<i>LVR or Loan to Value Ratio</i>	in relation to a Loan at any time, the ratio (expressed as a percentage) which the Loan Amount of the Loan at that time bears to the lesser of: (a) the value of the Land mortgaged or to be mortgaged by the Mortgages for that Loan; and (b) the purchase price of that Land. In this definition, 'value of the Land' means the value of the Land as determined by one or more Panel Valuers in accordance with the Agreed Procedures (as defined in the Origination Agreement).
<i>Macquarie</i>	Macquarie Bank Ltd ABN 46 008 583 542.
<i>Margin</i>	in relation to a Note, the margin specified in section 2.2(d) as the Margin for that Note.
<i>Master Trust Deed</i>	the Master Trust Deed dated 28 August 2000 between Permanent Custodians Limited and Bluestone, as adopted under the Notice of Creation of Trust and as amended by the Series Notice.
<i>Maturity Date</i>	for a Class of Notes, the maturity date specified in section 1.3 for that Class of Notes.
<i>Mortgage</i>	for a Loan, a registered (or pending registration, registrable) <i>mortgage over land</i> .
<i>Mortgaged Property</i>	the land the subject of a Mortgage.
<i>Mortgagee</i>	as described in section 8.1.
<i>Mortgage Shortfall</i>	in relation to a Purchased Loan, the amount (if a positive number) equal to the Liquidation Loss for that Purchased Loan minus the total Recoverable Amounts recovered by the Trustee. For the purposes of this definition, an amount shall be regarded as not recoverable upon a determination being made, by the Servicer, in each case upon the advice of such suitably qualified expert advisers as the Trustee thinks fit, that there is no such amount, or that such amount is not likely to be recovered.

<i>Mortgagee Extraordinary Resolution</i>	see section 8.4.
<i>NAB</i>	National Australia Bank Limited ABN 12 004 044 937.
<i>Natixis</i>	Natixis Australia Pty Ltd ABN 51 122 500 690
<i>NCCP Act</i>	the National Consumer Protection Act 2009 (Cth) (including the Schedules to it)
<i>New Money Advance</i>	in relation to any Collection Period, an amount actually advanced or to be advanced to a Borrower by the Trustee under a Purchased Loan during that Collection Period to the extent that the Loan Amount for that Purchased Loan after that advance is greater than the Scheduled Balance of that Purchased Loan before that advance was agreed or any advance under a Purchased Loan that is a Line of Credit Advance, but does not include any Capitalisation Advance.
<i>Non-Representative</i>	in respect of an Applicable Benchmark Rate, that the Supervisor of that Applicable Benchmark Rate (if the Applicable Benchmark Rate is the BBSW Rate), or the Administrator of the Applicable Benchmark Rate (if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate): (a) has determined that such Applicable Benchmark Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark Rate is intended to measure and that representativeness will not be restored; and (b) is aware that such determination will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such Supervisor or Administrator (as applicable) (howsoever described) in contracts.
<i>Non-Resident</i>	a person not a resident of the Commonwealth of Australia.
<i>Note</i>	a note referred to in section 1.3.
<i>Note Acknowledgment</i>	see section 2.7.
<i>Note Downgrade</i>	in relation to a Note at any time, the downgrade or withdrawal of the rating of that Note at that time.
<i>Note Issue Date</i>	see section 1.3.
<i>Note Transfer</i>	see section 2.8.
<i>Noteholder</i>	in relation to a Note at any time, the person who is registered as holding that Note at that time.

<i>Notice of Creation of Trust</i>	the Notice of Creation of Trust dated 14 May 2024 issued under the Master Trust Deed in relation to the Trust.
<i>Offered Note</i>	see section 1.3.
<i>Offshore Associate</i>	an associate (as defined in Section 128F) of the Trustee (including any beneficiaries of that Trust and their associates) that is either a non-resident of Australia that does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Notes in carrying on a business at or through a permanent establishment outside of Australia.
<i>Offshore Noteholder</i>	a Non-Resident who does not acquire Notes in carrying on a business at, or through, a permanent establishment in Australia, or an Australian resident who holds Notes in carrying on a business at, or through, a permanent establishment in a country outside of Australia.
<i>Origination Agreement</i>	the Mortgage Origination Agreement dated 17 November 2000 between the Trustee and Bluestone as amended from time to time (and acceded to by Bluestone Mortgages Pty Limited through the Series Notice).
<i>Origination Procedures</i>	in relation to any Purchased Loan or proposed Purchased Loan, means the "Bluestone Origination Specification - Credit Policy Updates" used by the Originator from time to time.
<i>Originator</i>	Bluestone and Bluestone Mortgages Pty Limited in its capacity as Originator of the Purchased Loans.
<i>Other Trust</i>	any Trust as defined in the Master Trust Deed, other than the Trust.
<i>Outstanding Principal Draws</i>	on any date: (a) the aggregate of all Principal Draws made or to be made on or prior to that date; less (b) the aggregate of all amounts paid or to be paid as described in section 6.10(a)(i) on or prior to that date.
<i>Panel Valuer</i>	as defined in the Origination Procedures.
<i>Payment Date</i>	see section 1.3.
<i>Payment Shortfall</i>	in relation to a Collection Period, the amount (if any) by which the Required Payments for that Collection Period exceed the Available Income for that Collection Period.
<i>Performing Loans Amount</i>	means at any time the amount outstanding under Loans forming Assets of the Trust excluding any Loan: (a) in relation to which any payment due from the relevant Borrower has been in arrears by 90 days or more; or (b) which is otherwise determined by the Servicer to be non-performing (having regard to the definition of that term in

Prudential Standard APS 220 Credit Risk Management issued by the Australian Prudential Regulation Authority, including any amendment or replacement of that Prudential Standard).

***Permanent
Discontinuation Fallback***

in respect of:

- (a) the BBSW Rate, that the rate for any day for which the BBSW Rate is required on or after the BBSW Rate Permanent Fallback Effective Date will be:
 - (i) if at the time the BBSW Rate Permanent Fallback Effective Date occurs, no AONIA Permanent Fallback Effective Date has occurred, the AONIA Fallback Rate;
 - (ii) if at the time the BBSW Rate Permanent Fallback Effective Date occurs, an AONIA Permanent Fallback Effective Date has occurred, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Fallback Rate; and
 - (iii) if neither paragraph (i) nor paragraph (ii) above apply, the Final Fallback Rate;
- (b) AONIA, that the rate for any day for which AONIA is required on or after the AONIA Permanent Fallback Effective Date will be:
 - (i) if at the time the AONIA Permanent Fallback Effective Date occurs, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Fallback Rate; and
 - (ii) if paragraph (i) above does not apply, the Final Fallback Rate; and
 - (iii) the RBA Recommended Rate, that the rate for any day for which the RBA Recommended Rate is required on or after the RBA Recommended Rate Permanent Fallback Effective Date will be the Final Fallback Rate.

***Permanent
Discontinuation Trigger***

in respect of an Applicable Benchmark Rate:

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

Benchmark Rate and, in the case of the BBSW Rate, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

- (b) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate, the Reserve Bank of Australia (or any successor central bank for Australian dollars), an insolvency official with jurisdiction over the Administrator for the Applicable Benchmark Rate, a resolution authority with jurisdiction over the Administrator for the Applicable Benchmark Rate or a court or an entity with similar insolvency or resolution authority over the Administrator for the Applicable Benchmark Rate, which states that the Administrator of the Applicable Benchmark Rate has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate and a public statement or publication of information other than by the Supervisor, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;
- (c) a public statement by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate, as a consequence of which the Applicable Benchmark Rate will be prohibited from being used either generally, or in respect of the Notes or that its use will be subject to restrictions or adverse consequences;
- (d) it has become unlawful for the Trust Manager or any other party responsible for calculations of interest under the Transaction Documents to calculate any payments due to be made to any Noteholder using the Applicable Benchmark Rate;
- (e) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate (if the Applicable Benchmark Rate is the BBSW Rate), or the Administrator of the Applicable Benchmark Rate (if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate), stating that the Applicable Benchmark Rate is Non-Representative; or
- (f) the Applicable Benchmark Rate has otherwise ceased to exist or be administered on a permanent or indefinite basis.

<i>Permanent Fallback Effective date</i>	in respect of a Permanent Discontinuation Trigger for an Applicable Benchmark Rate: (a) in the case of paragraphs (a) and (b) of the definition of “Permanent Discontinuation Trigger”, the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is no longer published or provided; (b) in the case of paragraphs (c) and (d) of the definition of “Permanent Discontinuation Trigger”, the date from which use of the Applicable Benchmark Rate is prohibited or becomes subject to restrictions or adverse consequences or the calculation becomes unlawful (as applicable); (c) in the case of paragraph (e) of the definition of “Permanent Discontinuation Trigger”, the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is Non-Representative by reference to the most recent statement or publication contemplated in that paragraph and even if such Applicable Benchmark Rates continues to be published or provided on such date; or (d) in the case of paragraph (f) of the definition of “Permanent Discontinuation Trigger”, the date that event occurs.
<i>PPSA Security Interest</i>	has the meaning given to "security interest" in section 12 of the PPSA.
<i>Preparation Date</i>	26 June 2024.
<i>Prepayment Costs</i>	those amounts which are payable by a Borrower or otherwise debited to a Borrower’s account during a Collection Period in accordance with the relevant Loan Agreement as a result of the Borrower prepaying any amount in respect of a Fixed Rate Loan.
<i>Principal Amount</i>	on a date in relation to any Note: (a) the Initial Principal Amount of that Note (if any); plus (b) the amount of any Interest in respect of that Note which has been capitalised as described in section 2.2(g); minus (c) the aggregate of Principal Payments (if any) made in respect of that Note on or before that date.
<i>Principal Charge Off</i>	in relation to any Collection Period the aggregate of all Principal Losses for that Collection Period.
<i>Principal Collections</i>	for a Collection Period, the aggregate of: (a) all amounts received by or on behalf of the Trustee from or on behalf of Borrowers under the Purchased Loans during that Collection Period in respect of principal, in accordance

with the terms of the Purchased Loans, including principal prepayments;

- (b) all other amounts received by or on behalf of the Trustee under or in respect of principal under the Purchased Loans and the related Loan Rights during that Collection Period including:
 - (i) any Liquidation Proceeds on account of principal; and
 - (ii) any payments by an Approved Seller to the Trustee on the repurchase of a Purchased Loan under the Master Trust Deed during that Collection Period which are attributable to principal;
- (c) all amounts received by or on behalf of the Trustee during that Collection Period from any provider of a Support Facility under that Support Facility and which the Trust Manager determines should be accounted for in respect of a Principal Loss;
- (d) all amounts received by or on behalf of the Trustee during that Collection Period:
 - (i) from an Approved Seller, in respect of any breach of a representation, warranty or undertaking of that Approved Seller contained in the Master Trust Deed or the Series Notice;
 - (ii) from an Approved Seller under any obligation of that Approved Seller under the Master Trust Deed or the Series Notice to indemnify or reimburse the Trustee for any amount;
 - (iii) from the Servicer, in respect of any breach of any representation, warranty or undertaking of the Servicer contained in the Servicing Agreement;
 - (iv) from the Servicer under any obligation of the Servicer under the Servicing Agreement to indemnify or reimburse the Trustee for any amount;
 - (v) from the Trustee in its personal capacity in respect of any breach of a representation, warranty or undertaking of the Trustee in respect of which it is not entitled to be indemnified out of the Assets of the Trust and in respect of which the Trustee is liable under a Transaction Document;
 - (vi) from the Trustee in its personal capacity under any obligation of the Trustee under the Transaction Documents to indemnify or reimburse the Trust for

	any amount and in respect of which the Trustee is liable under a Transaction Document;
	(vii) from the Trust Manager in respect of any breach of a representation, warranty or undertaking of the Trust Manager contained in the Transaction Documents of which it is not entitled to be indemnified out of the Assets of the Trust; and
	(viii) from the Trust Manager under any obligation of the Trust Manager under the Transaction Documents to indemnify or reimburse the Trust for any amount,
	in each case, which are determined by the Trust Manager to be in respect of principal payable under the Purchased Loans and the related Loan Rights;
	(e) any amounts in the nature of principal received by or on behalf of the Trustee during that Collection Period pursuant to the sale of any Asset; and
	(f) any amount standing to the credit of the Principal Repayment Pool as at the end of that Collection Period, including any amounts credited to the Principal Repayment Pool during that Collection Period,
	but excluding any Capitalised Interest received by or on behalf of the Trustee during that Collection Period.
<i>Principal Draw</i>	for a Collection Period, the amount calculated as described in section 6.4 in relation to that Collection Period.
<i>Principal Loss</i>	for a Collection Period, the amount of any Mortgage Shortfall for that Collection Period calculated in accordance with section 6.6.
<i>Principal Payment</i>	a Class A1S Principal Payment, a Class A1L Principal Payment, a Class A2 Principal Payment, a Class B Principal Payment, a Class C Principal Payment, a Class D Principal Payment, a Class E Principal Payment, a Class G1 Principal Payment or a Class G2 Principal Payment.
<i>Principal Repayment Date</i>	in relation to a Note for the purposes of the Master Trust Deed, each Payment Date.
<i>Principal Repayment Pool</i>	in relation to a Payment Date, an amount equal to all money expressed to be paid to the Principal Repayment Pool on that Payment Date as described in section 6.9, section 6.10 or section 6.11.
<i>Principal Shortfall</i>	means, on any Determination Date in relation to the relevant Collection Period, the amount (if any) equal to: (a) the Principal Charge Off for that Collection Period; less

	(b) the amount available to be applied on the Payment Date immediately following that Determination Date as described in section 6.10(a)(ii).
<i>Property Restoration Expenses</i>	costs and expenses incurred by or on behalf of the Trustee, or by the Servicer under the Servicing Agreement in repairing, maintaining or restoring to an appropriate state of repair and condition any Mortgaged Property, in exercise of a power conferred on the mortgagee under the relevant Purchased Loan and Relevant Documents.
<i>Proportion</i>	in respect of a Residual Income Unit Holder at any time, the proportion that the number of Residual Income Units held by that Residual Income Unit Holder bears to the total number of Residual Income Units on issue as at that time.
<i>Prospectus Regulation</i>	Regulation (EU) 2017/1129.
<i>Publication Time</i>	(a) in respect of the BBSW Rate, 12.00pm (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for the BBSW Rate in its benchmark methodology; and (b) in respect of AONIA, 4pm (Australian Eastern Standard Time (AEST)/Australian Eastern Daylight Time (AEDT)) or any amended publication time for the final intraday refix of such rate specified by the Administrator for AONIA in its benchmark methodology.
<i>Purchase Price</i>	in relation to Loans, related Mortgages, guarantees and other rights offered for sale under a Sale Notice, the purchase price for those Loans, Mortgages, guarantees and rights specified in the relevant Sale Notice as adjusted (where relevant) in accordance with that Sale Notice.
<i>Purchase Price Adjustment</i>	has the meaning given to that term in section 6.8.
<i>Purchased Loan</i>	each Loan and the related Loan Rights specified in a Sale Notice (or, where relevant, in accordance with the procedures agreed under the Master Trust Deed) which is accepted by the Trustee, unless the Trustee has ceased to have an interest in that Loan.
<i>Rated Note</i>	any Note other than a Class G Note.
<i>Rating Notification</i>	in relation to an event or circumstance, written confirmation from the Trust Manager that the Trust Manager has notified each Designated Rating Agency of the event or circumstance and that the Trust Manager is satisfied on a reasonable basis that the event or circumstance is unlikely to result in a downgrade, qualification or withdrawal of any rating of any Rated Note.
<i>RBA Recommended Fallback Rate</i>	has the same meaning given to AONIA Fallback Rate but with necessary adjustments to substitute all references to AONIA with corresponding references to the RBA Recommended Rate.

<i>RBA Recommended Rate</i>	in respect of any relevant day (including any day “i”), the rate (inclusive of any spreads or adjustments) recommended as the replacement for AONIA by the Reserve Bank of Australia (which rate may be produced by the Reserve Bank of Australia or another administrator) and as provided by the Administrator of that rate or, if that rate is not provided by the relevant Administrator, published by an authorised distributor, in respect of that day.
<i>Record Date</i>	for the purposes of the Master Trust Deed in relation to a date for payment of any amount in relation to a Note, 4.00 pm (Sydney time) on the date which is 2 Business Days before that date for payment.
<i>Recoverable Amount</i>	in relation a Collection Period all of the following amounts received by or on behalf of the Trustee during that Collection Period: (a) from the Trust Manager, in respect of any breach of a representation, warranty or undertaking contained in any Transaction Document; (b) from the Trust Manager under any obligation under any Transaction Document to indemnify or reimburse the Trustee for any amounts; (c) from Permanent Custodians Limited (as trustee of a Trust) in respect of that Trust and any breach of a representation, warranty or undertaking contained in the Master Trust Deed, the Series Notice or any other Transaction Document; (d) from Permanent Custodians Limited (as trustee of a Trust) in respect of that Trust under any obligation under the Master Trust Deed or the Series Notice to indemnify or reimburse the Trustee (as trustee of the Trust) for any amount; (e) from the Servicer in respect of any breach of a representation, warranty or undertaking contained in a Servicing Agreement or any other Transaction Document; (f) from the Originator, in respect of any breach of a representation, warranty or undertaking contained in any Transaction Document; (g) from the Originator under any obligation under any Transaction Document to indemnify or reimburse the Trustee for any amounts; (h) from the Servicer under any obligation under any Transaction Document to indemnify or reimburse the Trustee for any amounts; and (i) from an Approved Seller under any obligation under the Master Trust Deed, a Sale Notice or any other Transaction

	Document to indemnify or reimburse the Trustee for any amount.
<i>Redraw</i>	(a) in relation to any Collection Period for a Purchased Loan other than a Line of Credit Loan, an amount re-advanced to the relevant Borrower by the Trustee under that Purchased Loan during that Collection Period in respect of any previous Additional Repayments of the Borrower, up to the Schedule Balance for that Purchased Loan; or (b) in relation to a Collection Period for a Purchased Loan which is a Line of Credit Loan, an amount advanced to the relevant Borrower under that Purchased Loan during that Collection Period up to the amortisation schedule for that Purchased Loan.
<i>Register</i>	see section 2.6.
<i>Reimbursement Agreement</i>	means any document entered into between the Trustee and the Servicer on or after the date of this document which the Trustee and the Servicer agree is a "Reimbursement Agreement" for the purposes of the Trust and in respect of which the Trust Manager has given a Rating Notification.
<i>Related Body Corporate</i>	has the meaning in the Corporations Act.
<i>Relevant Person</i>	has the meaning given in "Important Notice".
<i>Required Liquidity Rating</i>	in relation to an entity, that entity has a counterparty risk assessment of: (a) in relation to Fitch a short-term rating of at least F1 or a long term rating of at least A; and (b) in relation to S&P: (i) a short term credit rating of no lower than A-2, together with a long term credit rating of no lower than BBB; (ii) a long term credit rating of no lower than BBB+ (if the relevant entity does not have a short term credit rating from S&P); or (iii) a short term credit rating of no lower than A-2 (if the relevant entity does not have any long term rating from S&P).
<i>Required Payments</i>	means, in relation to a Collection Period and the Payment Date following that Collection Period, the aggregate of the amounts set out in sections 6.9(a)(i) to 6.9(a)(xiii) with respect to that Payment Date, provided that: (a) if the aggregate Stated Amount of the Class E Notes is less than 95% of the aggregate Principal Amount of the Class E Notes, when expressed as a percentage on the relevant Determination Date, the amount set out in section 6.9(a)(xiii)

	will not be a Required Payment in respect of the relevant Collection Period and Payment Date;
(b)	if the aggregate Stated Amount of the Class D Notes is less than 95% of the aggregate Principal Amount of the Class D Notes, when expressed as a percentage on the relevant Determination Date, the amount set out in section 6.9(a)(xii) will not be a Required Payment in respect of the relevant Collection Period and Payment Date;
(c)	if the aggregate Stated Amount of the Class C Notes is less than 95% of the aggregate Principal Amount of the Class C Notes, when expressed as a percentage on the relevant Determination Date, the amount set out in section 6.9(a)(xi) will not be a Required Payment in respect of the relevant Collection Period and Payment Date; and
(d)	if the aggregate Stated Amount of the Class B Notes is less than 95% of the aggregate Principal Amount of the Class B Notes, when expressed as a percentage on the relevant Determination Date, the amount set out in section 6.9(a)(x) will not be a Required Payment in respect of the relevant Collection Period and Payment Date.
<i>Residual Capital Unit</i>	has the meaning given in section 7.3.
<i>Residual Capital Unit Holder</i>	the holder of a Residual Capital Unit.
<i>Residual Income Unit</i>	has the meaning given in section 7.3.
<i>Residual Income Unit Holder</i>	the holder of a Residual Income Unit.
<i>Residual Interest</i>	in relation to a Residual Interest Note and a Payment Date, 0%.
<i>Residual Interest Note</i>	a Class B Note, a Class C Note, a Class D Note or a Class E Note.
<i>Retention Vehicle</i>	each of Bluestone Capital Management Pty Limited (ABN 13 130 838 756), BSRRV1 Pty Ltd (ACN 632 435 502) and BSRRV2 Pty Limited (ACN 632 435 299).
<i>S&P</i>	S&P Global Ratings (Australia) Pty Ltd ABN 62 007 324 852.
<i>Sale Notice</i>	any Sale Notice (as defined in the Master Trust Deed) which may be given by an Approved Seller to the Trustee as trustee of the Trust on or after the date of execution of the Series Notice and which is subsequently accepted by the Trustee.
<i>Scheduled Balance</i>	in relation to a Loan at any time, the principal amount that would be owing on that Loan at that time if that Loan had been fully drawn down on its initial drawdown and the relevant Borrower had made prior to that time all minimum repayments of principal, and all interest payments, required under that Loan on each due date for payment.

<i>Section 128F</i>	section 128F of the Income Tax Assessment Act 1936 (Cth).
<i>Secured Moneys</i>	all money which the Trustee is or at any time may become actually or contingently liable to pay to or for the account of any Mortgagee for any reason whatever under or in connection with a Transaction Document.
<i>Security Trust Deed</i>	the security trust deed dated on or before the date of the Series Notice between the Trustee, the Trust Manager and the Security Trustee.
<i>Security Trustee's Fee</i>	the fee payable to the Security Trustee in respect of the Trust for each Collection Period as agreed between the Trust Manager and the Security Trustee.
<i>Seller Trust</i>	means an Other Trust from which the Trustee acquires Purchased Loans.
<i>Senior Interest</i>	the amount of interest for that Residual Interest Note and that Interest Period calculated by reference to the full Margin for that Residual Interest Note.
<i>Series Notice</i>	the Series Notice dated on or after the date of this Information Memorandum relating to the Trust.
<i>Servicer</i>	for the purposes of the Series Notice and the other Transaction Documents other than the Master Trust Deed, Bluestone Servicing Pty Limited or any replacement Servicer appointed in accordance with the Transaction Documents.
<i>Servicer Fee</i>	the fee payable to the Servicer in respect of the Trust for each Collection Period will be the amount calculated in accordance with clause 14 of the Servicing Agreement as amended from time to time.
<i>Servicing Agreement</i>	for the purposes of the Series Notice and the other Transaction Documents other than the Master Trust Deed, the Mortgage Servicing Agreement dated 23 March 2007 between the Trustee, the Servicer and the Trust Manager, as amended from time to time.
<i>SFA</i>	the Securities and Futures Act 2001 (Singapore).
<i>Stated Amount</i>	in relation to: (a) a Class A1 Note, the Class A1 Stated Amount for that Class A1 Note; (b) a Class A2 Note, the Class A2 Stated Amount for that Class A2 Note; (c) a Class B Note, the Class B Stated Amount for that Class B Note; (d) a Class C Note, the Class C Stated Amount for that Class C Note;

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- (e) a Class D Note, the Class D Stated Amount for that Class D Note;
 - (f) a Class E Note, the Class E Stated Amount for that Class E Note;
 - (h) a Class G1 Note, the Class G1 Stated Amount for that Class G1 Note; or
 - (i) a Class G2 Note, the Class G2 Stated Amount for that Class G2 Note.

Stepdown Criteria

will be satisfied on any Determination Date, if:

- (a) there are no Class A1S Notes outstanding on that Determination Date;
- (b) the immediately following Payment Date falls on or after the second anniversary of the Closing Date;
- (c) the Subordination Percentage as at that Determination Date is at least twice the Subordination Percentage on the Closing Date (after issue of all Notes on the Closing Date);
- (d) there are no Carryover Charge Offs in respect of any Notes at that time;
- (e) the aggregate Loan Amount of all Purchased Loans which have 90 or more Arrears Days on average calculated as at the last day of the three preceding Collection Periods as a percentage of the aggregate Loan Amount of all Purchased Loans at the time is less than 2.00%;
- (f) there is no Outstanding Principal Draw at that time; and
- (g) the Payment Date is prior to the Call Date.

Subordination Percentage

equals, on any date:

- (a) the aggregate of the Stated Amounts of the Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class G1 Notes and Class G2 Notes (as at the Determination Date immediately prior to that date);

expressed as a percentage of

- (b) the aggregate of the Stated Amounts of all the Notes as at the Determination Date immediately prior to that date (or, in the case of the Closing Date, as at the Closing Date).

Supervisor

in respect of an Applicable Benchmark Rate, the supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate (if any), or any committee officially endorsed or convened by any such supervisor or competent authority that is responsible for supervising that Applicable

	Benchmark Rate or the Administrator of that Applicable Benchmark Rate.
<i>Supervisor Recommended Rate</i>	the rate formally recommended for use as the replacement for the BBSW Rate by the Supervisor of the BBSW Rate.
<i>Sundry Fee</i>	any fee defined as such in the Servicing Agreement.
<i>Support Facility</i>	each Support Facility (as defined in the Master Trust Deed) which relates to the Trust, including the Liquidity Facility Agreement and the Swap Agreement.
<i>Support Facility Provider</i>	any person who has entered into or agreed to make available a Support Facility to the Trustee in relation to the Trust.
<i>Swap Agreement</i>	the ISDA Master Agreement, the Schedule and each Credit Support Annex forming part of it, between the Trustee, the Trust Manager and the Swap Provider, and includes any confirmations in respect of it.
<i>Swap Provider</i>	initially, NAB or any other person who enters into a Hedge Agreement in relation to Purchased Loans which are Fixed Rate Loans.
<i>Swap Provider Event of Default</i>	an Event of Default (as defined in the Swap Agreement) in relation to the Swap Provider under the Swap Agreement and where the Swap Provider is the Defaulting Party or the sole Affected Party (each as defined in the Swap Agreement).
<i>Temporary Disruption Trigger</i>	in respect of any Applicable Benchmark Rate which is required for any determination: (a) the Applicable Benchmark Rate in respect of the day for which it is required has not been published by the Administrator or an authorised distributor and is not otherwise provided by the Administrator by the date on which that Applicable Benchmark Rate is required; or (b) the Applicable Benchmark Rate is published or provided but the Trust Manager determines that there is an obvious or proven error in that rate, but does not include a Permanent Discontinuation Trigger.
<i>Temporary Disruption Fallback</i>	in respect of: (a) the BBSW Rate, that the rate for any day for which the BBSW Rate is required will be the first rate available in the following order of precedence: (i) firstly, the Administrator Recommended Rate; (ii) next, the Supervisor Recommended Rate; and (iii) lastly, the Final Fallback Rate;

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

Termination Date

see section 7.7.

Threshold Rate

on any date, the rate calculated as:

- (a) the minimum weighted average interest rate required to be set on the Purchased Loans which will ensure that the Trustee has sufficient funds available to make all Required Payments on the immediately following Payment Date (other than the first Payment Date) (assuming that all parties comply with their obligations under such documents and the Purchased Receivables and taking into account all of the income received by the Trustee which is referred to in paragraphs (b)(i), (ii) and (iii) of the definition of Available Income; plus
- (b) 0.25% per annum.

Threshold Rate Subsidy

means, in respect of a Payment Date, the amount calculated as follows:

$$T = (A-B) \times C \times D$$

where:

- T = the Threshold Rate Subsidy in respect of the Payment Date;
- A = the Threshold Rate as at that Payment Date;
- B = the weighted average interest rate on the Purchase Loans as at the Determination Date immediately prior to that Payment Date;
- C = the aggregate of the outstanding principal amount of all Purchased Loans on the Determination Date immediately prior to that Payment Date; and
- D = the number of days in the period commencing on (and including) that Payment Date and ending on (but excluding) the immediately following Payment Date, divided by 365,

provided that if this calculation is negative for any Payment Date, the Threshold Rate Subsidy for that Payment Date will be zero.

<i>Total Available Funds</i>	for a Collection Period, the aggregate of: (a) the Available Income for that Collection Period; (b) any Principal Draw which the Trustee is required to allocate as described in section 6.4 on or before the Payment Date for that Collection Period; (c) any Liquidity Draw which the Trustee is required to make as described in section 6.5 on or before the Payment Date for that Collection Period; (d) any Threshold Rate Subsidy to be applied in respect of that Collection Period in accordance with section 7.2(b); and (e) any Extraordinary Expense Reserve Draw which the Trustee is required to make as described in section 6.26 on or before the Payment Date for that Collection Period, less any amounts paid under Section 6.9(d) during that Collection Period.
<i>Total Payments</i>	in relation to a Collection Period, all amounts paid or required to be paid by the Trustee as described in section 6.9 on the Payment Date in relation to that Collection Period.
<i>Transaction Document</i>	each Transaction Document (as defined in the Master Trust Deed) which relates to the Trust, and includes the Servicing Agreement, the Back-up Servicing Agreement, the Origination Agreement, the Reimbursement Agreement (if any) and the Liquidity Facility Agreement.
<i>Trust</i>	the Bluestone Prime 2024-1 Trust constituted under the Master Trust Deed and the Notice of Creation of Trust.
<i>Trust Manager</i>	see section 1.2.
<i>Trust Manager's Default</i>	see section 7.2(f).
<i>Trust Manager's Fee</i>	has the meaning given in section 7.2(e).
<i>Trustee</i>	see section 1.2.
<i>Trustee's Default</i>	see section 7.1(g).
<i>Trustee's Fee</i>	has the meaning given in section 7.1(f).
<i>Turbo Principal Allocation</i>	means, in respect of a Determination Date, the amount (if any) to be paid on the immediately following Payment Date as described in section 6.12.
<i>UCITS</i>	has the meaning given in Article 2(2) of Directive 2009/65/EC of the European Parliament and of the Council of the European Union on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

<i>UK Institutional Investor</i>	has the meaning given in section 2.13.
<i>UK Securitisation Regulations</i>	has the meaning give in section 2.13.
<i>Unit</i>	any unit in the Trust, including each Residual Capital Unit and each Residual Income Unit.
<i>Unpaid Balance</i>	of a Loan, the sum of: (a) the unpaid principal amount of that Loan; and (b) the unpaid amount of all finance charges, Interest payments and other amounts accrued on or payable under or in connection with that Loan or the Mortgage or other rights relating to the Loan.
<i>Voting Mortgagee</i>	at any time: (a) for so long as Secured Moneys are owing to Noteholders of Notes which are listed on the Australian Securities Exchange, each Noteholder holding Notes which are so listed; and (b) otherwise, each Mortgagee.
<i>Westpac</i>	Westpac Banking Corporation ABN 33 007 457 141.

DIRECTORY

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SECURITY TRUSTEE

BNY Trust (Australia) Registry Limited
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Sydney NSW 2000

TRUST MANAGER

Bluestone Management Pty Limited
Level 24, 400 George Street
Sydney NSW 2000

SERVICER

Bluestone Servicing Pty Limited
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BACK-UP SERVICER

AMAL Asset Management Limited
Level 13, 20 Bond Street
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ARRANGER, JOINT LEAD MANAGER AND DEALER

National Australia Bank Limited
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Sydney NSW 2000

JOINT LEAD MANAGERS AND DEALERS

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Macquarie Bank Limited
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Sydney NSW 2000

ING Bank N.V.,
Singapore Branch
1 Wallich Street
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National Australia Bank
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Corporation
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BLUESTONE

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SOLICITORS FOR THE TRUST MANAGER

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