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# Information Memorandum

## Westpac Securitisation Trust Series 2024-1 WST Trust

Mortgage Backed Floating Rate Notes

A\$2,530,000,000 Class A Notes

ISIN: AU3FN0082608

Common Code: 271407408

rated

AAA (sf) by S&P Global Ratings Australia Pty Limited and  
AAAsf by Fitch Australia Pty Limited

A\$220,000,000 Class B Notes

ISIN: AU3FN0082616

Unrated

BNY Trust Company of Australia Limited

(ABN 49 050 294 052)

(in its capacity as Trustee of the Series 2024-1 WST Trust)

Westpac Securitisation Management Pty Limited

(ABN 73 081 709 211)

(Trust Manager)

Westpac Banking Corporation

(ABN 33 007 457 141)

(Approved Seller)

**The Notes are not suitable for all investors. The Notes are complex investments that should be considered only by investors who, either alone or with their financial, tax and legal advisors, have the expertise to analyse the prepayment, reinvestment, default and market risk, the tax consequences of an investment, and the interaction of these factors. Prospective investors should have regard to the factors described under the section headed "Special Considerations and Risk Factors" beginning on page 30 of this Information Memorandum. This Information Memorandum does not describe all of the risks of an investment in the Notes.**

Information Memorandum  
dated 5 February 2024

# Information Memorandum

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## Notes

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- (a) The Notes are not protected accounts, deposits or other liabilities of Westpac Banking Corporation (**Westpac**) or associates of Westpac or any other person who provides a facility or service to the Trustee.
- (b) The holding of Notes is subject to investment risk, including possible delays in repayment and the loss of some or all of your investment and any interest which is due and unpaid.
- (c) Neither Westpac nor any associate of Westpac in any way stands behind the capital value and/or performance of the Notes or the assets of the Trust except to the limited extent provided in the Transaction Documents for the Trust.
- (d) None of Westpac, whether as Approved Seller, Servicer, Swap Provider, Liquidity Facility Provider or Redraw Facility Provider, BNY Trust Company of Australia Limited, in its individual capacity and as Trustee, Westpac Securitisation Management Pty Limited, as Trust Manager, the Security Trustee nor any Dealer in any way stands behind the capital value and/or performance of the Notes or the assets of the Trust or guarantees the payment of interest or the repayment of principal due on the Notes except to the limited extent provided in the Transaction Documents for the Trust.
- (e) None of the obligations of Westpac Securitisation Management Pty Limited as Trust Manager, or BNY Trust Company of Australia Limited as Trustee, in respect of the Notes are guaranteed in any way by Westpac or any associate of Westpac.

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## 1. Important notice

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### 1.1 Purpose

This Information Memorandum relates solely to the proposed issue of Notes on the Closing Date by BNY Trust Company of Australia Limited (the **Trustee**) as trustee of the Series 2024-1 WST Trust (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. 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 in electronic or other form determined by the Trust Manager on request in accordance with the procedures outlined in section 13 of this Information Memorandum.

This Information Memorandum 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.

### 1.2 Terms

References in this Information Memorandum to various parties and documents are explained in sections 2 and 14 respectively. Unless defined elsewhere, other terms are defined in the Glossary of Terms in section 14. Section 14 should be referred to in conjunction with any review of this Information Memorandum.

### 1.3 Limited responsibility for information

The Trust Manager accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

This Information Memorandum has been prepared solely by the Trust Manager based on information available and facts and circumstances known to it as at 5 February 2024 (the **Preparation Date**). The Trust Manager has requested and authorised the distribution of this Information Memorandum and has sole responsibility for its accuracy. The Trust Manager does not make any representation or warranty, express or implied, as to, or assume any responsibility or liability for, the authenticity, origin, validity, accuracy or completeness of, or errors or omissions in, any information, statement, opinion or forecast contained in any accompanying, previous or subsequent material or presentation.

None of the Trustee, Westpac (in any capacity), the Security Trustee, any Dealer or any other person makes any representation or warranty, express or implied, as to, or assumes any responsibility or liability for, the authenticity, origin, validity, accuracy or completeness

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of, or errors or omissions in, any information, statement, opinion or forecast contained in this Information Memorandum or in any accompanying, previous or subsequent material or presentation.

Westpac has been involved in the preparation of this Information Memorandum only for the purposes of making the disclosure in sections 1.17, 1.18, 1.24, 3.43, 3.44 and 3.45. Apart from this, Westpac has not been involved in the preparation of any part of this Information Memorandum or authorised or caused its issue, and has not made and does not purport to make, any other statement or representation in this Information Memorandum.

None of the Trustee, the Security Trustee or any Dealer has made, or otherwise purports to make, any statement or representation in this Information Memorandum, nor have any of the Trustee, the Security Trustee or the Dealers been involved in the preparation of any part of it or authorised or caused the issue of it.

None of the Trust Manager, the Trustee, Westpac (in any capacity), the Security Trustee, any Dealer or 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.

No recipient of this Information Memorandum can assume that any person referred to in it has conducted any investigation or due diligence concerning, or has carried out or will carry out any independent audit of, or has independently verified or will verify, the information contained in this Information Memorandum.

It should not be assumed that the information contained in this Information Memorandum is necessarily accurate, timely 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.

None of the Trust Manager, the Trustee, Westpac (in any capacity), the Security Trustee, any Dealer or any other person accepts any responsibility for, or makes any representation as to, the tax consequences of investing in, the Notes.

## **1.4 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, the Trust Manager, the Trustee, Westpac (in any capacity), the Security Trustee, any Dealer or any other 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 one 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

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changes in, or matters arising or coming to their attention which may affect, anything referred to in this Information Memorandum.

## **1.5 Authorised material**

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, the Trustee, Westpac (in any capacity), the Security Trustee, any Dealer or any other party to any Transaction Document.

## **1.6 Intending purchasers to make independent investment decisions**

The information contained in this Information Memorandum is not a recommendation by the Trust Manager, the Trustee, Westpac (in any capacity), the Security Trustee or any Dealer 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.

## **1.7 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 and who are not retail clients as defined in section 761A of the Corporations Act. This Information Memorandum is not intended for and should not be distributed to any other person unless: (a) the distribution to that person does not breach the selling restrictions set out in section 12 ("Selling Restrictions"); or (b) the prior written consent from the Trust Manager has been obtained.

## **1.8 Excluded offer or invitation**

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 A\$500,000 (disregarding any amount payable to the extent to which it is to be paid out of money lent by the Trustee or other person offering those Notes or an associate (as defined in the Corporations Act) of either of them). Accordingly, this Information Memorandum is not required to be lodged with, or registered by, the Australian Securities and Investments Commission. Further information regarding the transfer of Notes is set out in section 2.10.

## **1.9 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, the Trustee, Westpac, the Security Trustee and the Dealer to inform themselves about and to observe any such restriction. Further details are set out in section 12.

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The Dealer has confirmed that it has complied or will comply with each of the selling restrictions set out in section 12.

## **1.10 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 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. For further details, see section 9.1(j).

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, the Trustee, Westpac (in any capacity), the Security Trustee, any Dealer or their respective related bodies corporate guarantees payment or repayment of any moneys owing to Noteholders 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.

## **1.11 References to ratings**

There are several references in this Information Memorandum to the credit rating of the Notes and parties. A credit rating is not a recommendation to buy, sell or hold securities and the credit ratings of the Notes and parties referenced in this Information Memorandum may be subject to revision, suspension or withdrawal at any time by the relevant Rating Agency. The credit rating of the Notes addresses the likelihood of the timely payment of interest. The credit rating of the Notes does not address the expected rate of principal repayment other than the ultimate payment of principal no later than the Maturity Date. No Rating Agency was involved in the preparation of this Information Memorandum.

## **1.12 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. 253128, which was issued on 24 February 2004 and amended in July 2005 and April 2006. Under the AFSL, the Trust Manager is authorised to: provide general financial product advice for (i) derivatives and (ii) securities limited to debentures of a body corporate or unincorporated body; and to deal in a financial product by arranging for another person to issue, apply for, acquire, vary or dispose of (i) derivatives or (ii) securities limited to debentures of a body corporate or unincorporated body, in all cases to wholesale clients. The AFSL enables the Trust Manager to perform various functions, including assisting the Dealer in connection with the

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offering of the Notes, and facilitating the management of the Trustee's interest rate risk arising in connection with the Housing Loans.

Pursuant to section 913B of the Corporations Act, the Security Trustee holds an Australian Financial Services Licence, Licence No. 239053, which was issued on 16 February 2004.

## 1.13 Exchange controls and limitation

There is a prohibition on, or in some cases the specific prior approval of the Minister for Foreign Affairs must be obtained for, certain payments or other dealings connected with parties identified with terrorism or to whom financial sanctions apply. See [www.dfat.gov.au](http://www.dfat.gov.au) for the most up to date information on the Australian sanctions regime.

## 1.14 Listing

Application will be made to have the Class A Notes issued on the Closing Date listed on the ASX post the Closing Date. No application has been made to list any other Notes on the ASX, or any Notes on any other securities exchange. No assurance can be made that any such application will be granted. Prospective purchasers of those Class A Notes should consult with the Trust Manager to determine their listing status.

## 1.15 Repo-eligibility

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

The criteria for repo-eligibility published by the RBA require, among other things, that certain information be provided by the Trust Manager to the RBA at the time of seeking repo-eligibility and at any time during the term of the Class A Notes in order for the Class A Notes to be (and 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 A Notes will be successful, or that the Class A Notes will continue to be repo-eligible even if they are eligible in relation to their issue, including if the Trust Manager does not or cannot provide any relevant information to the RBA (including because of subsequent changes by the RBA to its criteria).

If Class A 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 A Notes from time to time in such form as determined by the Trust Manager as it sees fit.

Even if Class A Notes are repo-eligible at any time, a Noteholder 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 A 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 A Notes, even if repo-eligible, will be able to be used by any Noteholder as collateral in relation to repurchase arrangements with the RBA.

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## 1.16 Disclosure of interest and conflicts

Each of the Trust Manager and the Lead Manager (in each of its capacities) and their related bodies corporate (as defined in the Corporations Act), affiliates or any of their officers, directors, employees, agents, advisers or contractors (together the “**Related Entities**”) discloses that, in addition to the arrangements and interests it will have with respect to the Trust, the assets of the Trust and Notes (“**Transaction Document Interests**”), it, its Related Entities and employees, directors and officers (each a “**Relevant Entity**”):

- (a) may, from time to time be a Noteholder or have a pecuniary or other interest with respect to 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 with respect to any dealing with respect to any Notes,

(the “**Note Interests**”).

Each Relevant Entity and each Noteholder acknowledges these disclosures and further acknowledges and agrees that, without limiting any express obligation of any person under any Transaction Document:

- (c) each party and each of their Relevant Entities 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, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research (the “**Other Transactions**”) in various capacities in respect of any Transaction Document Party (as defined below) 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 will or may indirectly receive proceeds of Notes in repayment of debt financing arrangements involving that Relevant Entity. For example, this could occur if the proceeds of 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 Notes at the same time as the offer and sale of 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 Notes to which this 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;

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- (g) to the maximum extent permitted by applicable law, no Relevant Entity has any duties or liabilities (including, without limitation, any advisory or fiduciary duty) to any person other than any contractual obligations of the Relevant Entity as set out in the relevant Transaction Documents;
- (h) a Relevant Entity may have or come into possession of information not contained in the Information Memorandum that may be relevant to any decision by a prospective investor to acquire Notes and which may or may not be publicly available to prospective investors ("**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 party named in this Information Memorandum or any of its affiliates ("**Transaction Document Party**") or to any prospective investor and this Information Memorandum and any subsequent conduct by a Relevant Entity, should not be construed as implying that the Relevant Entity is not in possession of such Relevant Information or that any information in the Information Memorandum or otherwise is accurate or 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, the Note Interests or the Other Transaction Interests. For example, the exercise of rights against a Transaction Document Party arising from the Transaction Document Interests (for example, by a dealer, an arranger or a provider of liquidity or other facilities) or from an Other Transaction may affect the ability of a Transaction Document Party to perform its obligations in respect of 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 Document Party, a prospective investor or a Noteholder, and a Transaction Document Party, a prospective 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, prospective investors or a Transaction Document Party, and the Relevant Entities may in so doing act without notice to, and without regard to, the interests of any such person.

This is not a comprehensive or definitive list of all actual or potential conflicts of interest.

## **1.17 EU Securitisation Regulation**

The EU Securitisation Regulation Rules began to apply across the European Union (the EU) to any securitisations issued from 1 January 2019.



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The EU Securitisation Regulation Rules implement the revised securitisation framework developed by the Basel Committee, as well as risk retention and transparency requirements (imposed variously on the issuer, originator, sponsor and/or original lender of a securitisation, where such entity is an EU Issuing Entity (as defined in section 3.43)) and due diligence requirements (imposed on EU Institutional Investors (as defined below)) in a securitisation.

The risk retention and due diligence rules under the EU Securitisation Regulation Rules (not taking into account any relevant national measures) (the **EU Retention Rules**) apply to securitisations in respect of which the relevant securities are issued on or after 1 January 2019.

The due diligence requirements of the EU Retention Rules apply to EU-regulated credit institutions, EU-regulated investment firms, certain alternative investment fund managers which manage and/or market alternative investment funds in the EU, EU-regulated insurers or reinsurers, certain investment companies authorised in accordance with Directive 2009/65/EC, managing companies as defined in Directive 2009/65/EC, institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 (subject to certain exceptions), and certain investment managers and authorised entities appointed by such institutions subject thereto (collectively, **EU Institutional Investors**).

Potential EU Institutional Investors should note that none of Westpac (in any capacity) or the Trust Manager is bound to comply with the requirements of the EU Retention Rules unless it agrees to be bound as a contractual matter. In this respect, Westpac explicitly discloses that, as contemplated by the EU Retention Rules as at the Closing Date, it will retain, on an ongoing basis, a material net economic interest of not less than 5% of the nominal value of the securitisation, by retaining the Class B Notes (being the first loss tranche) having an aggregate Initial Invested Amount not less than 5% of the aggregate Initial Invested Amount of all Notes. That material net economic interest will not be subject to any credit-risk mitigation or hedging. Westpac will confirm its ongoing retention of the net economic interest described above in investor reports (at least on a quarterly basis) and any change to the manner in which such interest is held will be notified to Noteholders.

This does not prevent Westpac from selling any Notes held by it at any time, provided that the level of retained material net economic interest does not fall below 5%.

Potential EU Institutional Investors should note that only implementing regulations, technical standards and official guidance related to the EU Securitisation Regulation Rules as of the Closing Date shall be required to be taken into account by Westpac for the purposes of determining such compliance with the EU Securitisation Regulation Rules. However, to the extent any amendments, standards, guidance or statements come into effect after the date of this Information Memorandum, Westpac may adopt such standards in its sole discretion. There is additional information in section 3.43 as to Westpac's compliance with the EU Securitisation Regulation Rules.

The EU Securitisation Regulation Rules place certain conditions on investments in securitisations by EU Institutional Investors. Any EU Institutional Investor should consult with their own legal and regulatory advisors to determine whether, and to what extent, the information described above and in the Information Memorandum is sufficient for

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compliance by that EU Institutional Investor with any applicable EU Securitisation Regulation Rules. In the event that a regulator determines that this securitisation transaction did not comply or is no longer in compliance with the EU Securitisation Regulation Rules or the EU Institutional Investor has insufficient information to satisfy its due diligence and/or ongoing monitoring requirements under the EU Securitisation Regulation Rules, then an EU Institutional Investor may be required by its regulator to set aside additional capital against its investment in the Notes or take other remedial measures in respect of its investment in the Notes. Prospective investors are themselves responsible for monitoring and assessing changes to the EU Securitisation Regulation Rules and their regulatory capital requirements. Prospective investors who are uncertain as to the requirements under the EU Securitisation Regulation Rules which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator.

Prospective investors should make their own independent investigation and seek their own independent advice as to (1) the requirements of the EU Securitisation Regulation Rules (and any implementing rules in relation to a relevant jurisdiction); (2) the regulatory capital treatment of their investment (or the liquidity of such investment as a result thereof); and (3) the sufficiency of the information described above and in this Information Memorandum generally for the purposes of complying with the EU Securitisation Regulation Rules (now and at any time in the future) and none of the Trust Manager, the Trustee, the Security Trustee, Westpac (in any capacity) nor any other person: (i) makes any representation that the information described above or in the Information Memorandum is sufficient in all circumstances for such purpose; or (ii) accepts any liability to any prospective investor or any other person for any insufficiency in respect of such information or any failure of the transaction contemplated herein to comply with or otherwise satisfy the requirements of the EU Securitisation Regulation Rules or the EU Retention Rules or any other applicable legal, regulatory or other requirements.

None of the Trustee or the Security Trustee has any responsibility to enforce compliance with the requirements of the EU Securitisation Regulation Rules or the EU Retention Rules or any other applicable legal, regulatory or other requirements.

## 1.18 UK Securitisation Regulation

The UK regulatory regime is set out pursuant to the UK Securitisation Regulation Rules.

Like the EU Securitisation Regulation Rules, the UK Securitisation Regulation Rules include risk retention and transparency requirements (imposed variously on the issuer, originator, sponsor and/or original lender of a securitisation, where such entity is a UK Issuing Entity (as defined in section 3.44)) and due diligence requirements (imposed on UK Institutional Investors (as defined below) in a securitisation).

The risk retention and due diligence rules under the UK Securitisation Regulation Rules (the **UK Retention Rules**) apply to securitisations in respect of which the relevant securities are issued on or after 1 January 2021.

The due diligence requirements of the UK Retention Rules apply to each of CRR firms as defined by Article 4(1)(2A) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and

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investment firms and amending Regulation (EU) No 648/2012 as it forms part of the domestic laws of the UK by virtue of the EUWA, certain alternative investment fund managers which manage or market alternative investment funds in the UK, UK regulated insurers or reinsurers, certain management companies as defined in section 237(2) of the Financial Services and Markets Act 2000 (**FSMA**), UCITS as defined by section 236A of FSMA which is an authorised open ended investment company as defined in section 237(3) of FSMA and occupational pension schemes as defined in section 1(1) of the Pension Schemes Act 1993 (collectively, **UK Institutional Investors**).

Potential UK Institutional Investors should note that none of Westpac (in any capacity) or the Trust Manager is bound to comply with the requirements of the UK Retention Rules unless it agrees to be bound as a contractual matter. In this respect, Westpac explicitly discloses that, as contemplated by the UK Retention Rules as at the Closing Date, it will retain, on an ongoing basis, a material net economic interest of not less than 5% of the nominal value of the securitisation, by retaining the Class B Notes (being the first loss tranche) having an aggregate Initial Invested Amount not less than 5% of the aggregate Initial Invested Amount of all Notes. That material net economic interest will not be subject to any credit-risk mitigation or hedging. Westpac will confirm its ongoing retention of the net economic interest described above in investor reports (at least on a quarterly basis) and any change to the manner in which such interest is held will be notified to Noteholders.

This does not prevent Westpac from selling any Notes held by it at any time, provided that the level of retained material net economic interest does not fall below 5%.

Potential UK Institutional Investors should note only technical standards and official guidance related to the UK Securitisation Regulation Rules as of the Closing Date shall be required to be taken into account by Westpac for the purposes of determining such compliance with the UK Securitisation Regulation Rules. However, to the extent any amendments, standards, guidance or statements come into effect after the date of this Information Memorandum, Westpac may adopt such standards in its sole discretion. There is additional information in section 3.44 as to Westpac's compliance with the UK Securitisation Regulation Rules.

The UK Securitisation Regulation Rules place certain conditions on investments in securitisations by UK Institutional Investors. Any UK Institutional Investor should consult with their own legal and regulatory advisors to determine whether, and to what extent, the information described above and in the Information Memorandum is sufficient for compliance by that UK Institutional Investor with any applicable UK Securitisation Regulation Rules. In the event that a regulator determines that this securitisation transaction did not comply or is no longer in compliance with the UK Securitisation Regulation Rules or the UK Institutional Investor has insufficient information to satisfy its due diligence and/or ongoing monitoring requirements under the UK Securitisation Regulation Rules, then a UK Institutional Investor may be required by its regulator to set aside additional capital against its investment in the Notes or take other remedial measures in respect of its investment in the Notes. Prospective investors are themselves responsible for monitoring and assessing changes to the UK Securitisation Regulation Rules and their regulatory capital requirements. Prospective investors who are uncertain as to the

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requirements under the UK Securitisation Regulation Rules which apply to them should seek guidance from their regulator.

Prospective investors should make their own independent investigation and seek their own independent advice as to (1) the requirements of the UK Securitisation Regulation Rules; (2) the regulatory capital treatment of their investment (or the liquidity of such investment as a result thereof); and (3) the sufficiency of the information described above and in this Information Memorandum generally for the purposes of complying with the UK Securitisation Regulation Rules (now and at any time in the future) and none of the Trust Manager, the Trustee, the Security Trustee, Westpac (in any capacity) nor any other person: (i) makes any representation that the information described above or in the Information Memorandum is sufficient in all circumstances for such purpose; or (ii) accepts any liability to any prospective investor or any other person for any insufficiency in respect of such information or any failure of the transaction contemplated herein to comply with or otherwise satisfy the requirements of the UK Securitisation Regulation Rules or the UK Retention Rules or any other applicable legal, regulatory or other requirements.

None of the Trustee or the Security Trustee has any responsibility to enforce compliance with the requirements of the UK Securitisation Regulation Rules or the UK Retention Rules or any other applicable legal, regulatory or other requirements.

## 1.19 US Regulation

The risk retention rules set out in regulations adopted under 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 beginning on 24 December 2015, and were fully in effect on 24 December 2016. It is intended that Westpac will rely on an exemption provided for in the U.S. Risk Retention Rules regarding non-U.S. transactions (referred to as a safe-harbor for foreign-related transactions). In order to comply with the terms of this exemption, 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 (**Risk Retention U.S. Persons**). 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, Westpac, the Trust Manager and the Dealer that it (1) is not a Risk Retention U.S. Person, (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. Prospective investors should note that the definition of a Risk Retention U.S. Person is substantially similar to, but not identical to, the definition of U.S. person under Regulation S.

This Information Memorandum does not constitute an offer of securities in the U.S. or to any U.S. Person as defined in Regulation S under the Securities Act 1933 of the U.S. (the **U.S. Securities Act**). The securities or other financial instruments described in this Information Memorandum have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold in the U.S. or to, or for the account of, any

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U.S. Person except in a transaction that is exempt from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

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”).

## 1.20 EU Regulation

### (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 European Economic Area (**EEA**). For these purposes: (a) 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 (as amended, 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 the Regulation (EU) 2017/1129 (as amended, the **EU Prospectus Regulation**); and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **EU 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 EU PRIIPs Regulation.

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

Solely for the purposes of the 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.

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## 1.21 UK Regulation

### (a) Prohibition of sales to UK Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes: (a) a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 in the UK, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (**UK MiFIR**); or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 as it forms part of the domestic law of the UK by virtue of the EUWA (the **UK Prospectus Regulation**); and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (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.

### (b) UK MiFIR Product Governance/Professional Investors and ECPs only Target Market

Solely for the purposes of the 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: (i) 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 UK MiFIR; 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 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.

## 1.22 Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the SFA)

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

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(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).

## 1.23 Notification to investors in Singapore

At no time shall the Notes be offered or sold, or caused to be made the subject of an invitation for subscription or purchase, nor shall this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes be circulated or distributed to any person in Singapore in any subsequent offer except to (i) an institutional investor (as defined in Section 4A of the SFA) or (ii) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

## 1.24 Japanese Due Diligence and Risk Retention Rules

On 15 March 2019, the Japanese Financial Services Agency published the 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 ***Japanese Due Diligence and Risk Retention Rules***). The Japanese Due Diligence and Risk Retention Rules became applicable to Japanese financial institutions acquiring securitisation exposures after 31 March 2019.

Westpac, as originator for the purposes of the Japanese Due Diligence and Risk Retention Rules, intends to retain the Class B Notes, the most subordinated tranche, the amount of which is at least 5% of the exposure of the total underlying assets of this securitisation transaction. Any such retention by Westpac will be subject to any requirement of law and any events, actions or circumstances beyond Westpac's control.

Prospective investors should make their own independent investigation and seek their own independent advice (i) as to the scope and applicability of the Japanese Due Diligence and Risk Retention Rules; (ii) as to the sufficiency of the information described in this Information Memorandum and which may otherwise be made available to investors; and (iii) as to their compliance with the Japanese Due Diligence and Risk Retention Rules in respect of the transactions contemplated by this Information Memorandum

None of Westpac, whether as Approved Seller, Servicer, Swap Provider, Liquidity Facility Provider or Redraw Facility Provider, the Trustee, the Trust Manager, the Security Trustee nor any Dealer, or any other party to the Transaction Documents (i) makes any representation that the performance of the retention 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 Japanese Affected Investor's compliance with the Japanese 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 non-compliance by any such person with the Japanese 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 Investors to enable compliance by such person with the

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requirements of the Japanese Due Diligence and Risk Retention Rules or any other applicable legal, regulatory or other requirements.

None of the Trustee or the Security Trustee has any responsibility to enforce compliance with the requirements of the Japanese Due Diligence and Risk Retention Rules or any other applicable legal, regulatory or other requirements.

See section 3.45 for further details.

## **1.25 No responsibility for preparation and due execution**

Westpac (in any capacity, including in its capacity as Dealer and Lead Manager) does not have any responsibility to or liability for and does not owe any duty to any person who purchases or intends to purchase Notes in respect of this transaction, including but not limited to:

- (a) the admission to listing and/or trading of any of the Notes;
- (b) the accuracy or completeness of any information contained in this Information Memorandum and has not separately verified the information contained in this Information Memorandum and makes no representation, warranty or undertaking, express or implied, as to the accuracy or completeness of, or any errors or omissions in, any information contained in this Information Memorandum or any other information supplied in connection with the Notes; or
- (c) 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, or the enforceability of any of the obligations set out in the Transaction Documents.

## **1.26 Commissions and other payments**

Westpac (in any capacity, including in its capacity as Lead Manager) or the Trust Manager may pay to any person (who may or may not be or become a Noteholder) any amount and for any purpose that Westpac or the Trust Manager (as applicable) determines, including without limitation any commitment fee and any investor procurement fee. Neither Westpac nor the Trust Manager is required to disclose the identity of any such payee, the amount or timing of any such payment or the purpose of any such payment, nor is it required to pay any amount, or the same amount, to any person (including any Noteholder) for the same or a similar purpose, or for any purpose whatsoever.

## **1.27 Incorporation by reference**

Information contained in or accessible through the documents or websites mentioned in this Information Memorandum does not form part of this Information Memorandum unless it is specifically stated that the document or website is incorporated by reference and forms part of this Information Memorandum.

## **1.28 Noteholder Acknowledgement**

Each Noteholder, by subscribing for or purchasing any Note, acknowledges and agrees that:



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- (a) the Trustee will not be taken to be fraudulent, negligent or in wilful misconduct purely because the Trustee has relied on the Trust Manager's preparation of this Information Memorandum;
- (b) the subscribing for or purchasing and holding Notes is subject to investment risk, including possible delays in repayment and loss of income and principal involved;
- (c) in making its decision to invest in and purchase the Notes and to be bound by the Transaction Documents, it has relied solely upon its own independent investigations and it has been provided with the Information Memorandum and has been given an opportunity to obtain, consider and review the Transaction Documents prior to the time of its subscribing for or purchasing any Notes;
- (d) it is not relying in any way on any Lead Manager;
  - (i) with respect to any tax, accounting, economic or other considerations involved in investing in the Notes; or
  - (ii) in connection with the information, contents or subject matter of or contained within the Information Memorandum or any offer material in respect of the Notes; and
- (e) none of the Trustee, Westpac (in any capacity), the Security Trustee, any Dealer or any other person is responsible for, and none of them have reviewed or verified in any way, the preparation, verification, accuracy, contents or release of the Information Memorandum or any offer material in respect of the Notes.

## **1.29 No financial product advice**

Nothing in this Information Memorandum or any other information supplied in connection with the Notes is intended to constitute a recommendation or statement of opinion (or a report of either of those things) that is intended to influence any prospective Noteholder's decision whether or not to invest in the Notes and no person has considered the objectives, financial situation or needs of any prospective Noteholder in the preparation of this Information Memorandum.

Prospective Noteholders should read this Information Memorandum and the Transaction Documents and, if required, seek advice from appropriately authorised and qualified advisers prior to making a decision whether or not to invest in the Notes.

Once a Noteholder has subscribed for a Note, there is no "cooling-off regime" that is applicable to the Notes and no Party is obliged to acquire Notes or refund subscription moneys if a Noteholder changes their mind after subscribing for Notes.

None of the Arranger or the Lead Manager owe any fiduciary or other duties to any recipient of this Information Memorandum in connection with the Notes and/or any related transactions. No reliance may be placed on any of the Arranger or the Lead Manager for financial, legal, taxation, accounting or investment advice or recommendations.

## **1.30 Reliance on Information Memorandum**

Any prospective Noteholder contemplating the purchase of Notes should make, and shall be taken to have made, its own independent investigation of the financial condition and

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affairs, and its own appraisal of the creditworthiness of the Trustee (in its capacity as trustee of the Trust). Neither the delivery of this Information Memorandum nor any purchase of Notes made hereunder shall, under any circumstance, create any implication that there has been no change in the affairs of the Trustee (in its capacity as trustee of the Trust) or any other person referred to in this Information Memorandum since the Preparation Date.

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

This Information Memorandum is not intended to be and does not constitute, a recommendation or statement of opinion (or a report of either of those things) by the Trust Manager, the Trustee, Westpac (in any capacity), the Security Trustee, any Dealer or any other person that any person subscribe for or purchase any Notes.

Neither the Trust Manager nor any other person accepts any responsibility to purchasers of the Notes or intending purchasers of the Notes to update this Information Memorandum after the Preparation Date with regard to information or circumstances which come to its attention after the Preparation Date.

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

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## 2. Summary

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The following 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 elsewhere in this Information Memorandum and the terms of the Transaction Documents.

### 2.1 Westpac Securitisation Trust programme

The Westpac Securitisation Trust (**WST**) programme was established pursuant to the Trust Deed for the purpose of investing in pools of consumer assets originated from time to time by the Westpac Group. The Trust Deed provides for the creation of an unlimited number of WST trusts. Each WST trust will be a separate and distinct trust and will be created subject to the Trust Deed and a series notice establishing specific provisions of the relevant WST trust and the instruments to be issued by that trust. Multiple classes of Notes may be issued by the trustee in relation to each WST trust that may differ among themselves as to priority of repayment and ratings.

#### **Series 2024-1 WST Trust**

The Series 2024-1 WST Trust was established on 17 October 2023 pursuant to a notice of creation of trust to the Trustee from the Trust Manager. Under the notice of creation of trust, the Trust Manager agrees to be bound by the duties and obligations imposed on a "Trust Manager" (as that term is used in the Trust Deed) by the Trust Deed in all respects as if it had originally been named as a party to the Trust Deed and the Trustee agrees to be bound by the duties and obligations imposed on a "Trustee" (as that term is used in the Trust Deed) by the Trust Deed in all respects as if it had originally been named as a party to the Trust Deed. The detailed terms of the Trust and the Notes are as set out in the Series Notice.

The trustee of the Trust will fund the purchase of a pool of residential housing loans originated by Westpac, which will be specified in a Sale Notice from the Approved Seller, by issuing two classes of debt securities.

Westpac is the sole Residual Capital Beneficiary and the sole Residual Income Beneficiary. There are no other beneficiaries of the Trust. The Trust will therefore be a member of the Westpac consolidated tax group. For further details, see sections 3.34 and 9.8.

### 2.2 Transaction Parties

#### **Trustee**

BNY Trust Company of Australia Limited (ABN 49 050 294 052), as trustee of the Trust

#### **Security Trustee**

BTA Institutional Services Australia Limited (ABN 48 002 916 396), as trustee of the Security Trust

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## **Trust Manager**

Westpac Securitisation Management Pty Limited (ABN 73 081 709 211), a wholly owned subsidiary of Westpac, as manager of the Trust

## **Approved Seller**

Westpac Banking Corporation in its capacity as originator of the Housing Loans

## **Servicer**

Westpac Banking Corporation in its capacity as servicer of the Housing Loans and custodian of related documents

## **Arranger**

Westpac Banking Corporation

## **Lead Manager**

Westpac Banking Corporation

## **Dealer**

Westpac Banking Corporation

## **Mortgage Insurer**

Arch Lenders Mortgage Indemnity Limited (formerly known as Westpac Lenders Mortgage Insurance Limited)

## **Liquidity Facility Provider**

Westpac Banking Corporation in its capacity as the provider of the Liquidity Facility

## **Redraw Facility Provider**

Westpac Banking Corporation in its capacity as the provider of the Redraw Facility

## **Basis Swap Provider**

Westpac Banking Corporation in its capacity as the provider of the Basis Swap

## **Interest Rate Swap Provider**

Westpac Banking Corporation in its capacity as the provider of the Interest Rate Swap

## **Residual Capital Beneficiary**

Westpac Banking Corporation

## **Residual Income Beneficiary**

Westpac Banking Corporation

## **2.3 General Information regarding the Notes**

### **Issuer of the Notes**

The Trustee as trustee of the Trust

### **Description of the Notes**

Pass-through floating rate debt securities. The Notes are issued with the benefit of, and subject to, the Trust Deed, the Series Notice and the Security Trust Deed.

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The Notes will be in registered form, registered in a register maintained by the Trustee. Bearer notes will not be issued, and the Notes will not be in certificated form. Notes held in the Austraclear System will be registered in the name of Austraclear. See section 4.11 for more detail.

Transfers of Notes are made by way of transfers registered on the Register, provided that interests in Notes held in the Austraclear System must be transferred in accordance with the rules and regulations of the Austraclear System. See section 4.13 for more detail.

## **Classes of Notes**

The Trustee will issue Notes in two Classes:

- (a) a single tranche of senior notes, designated Class A Notes; and
- (b) a single tranche of notes which will, post enforcement, rank behind the Class A Notes for the payment of principal and Coupons, designated Class B Notes.

The Trustee may issue a tranche of Class A Notes to redeem outstanding Class A Notes, as described in section 4.5.

## **Proposed Issue Amount**

A\$2,750,000,000

## **Cut-Off Date**

30 November 2023

## **Closing Date**

5 February 2024

## **Payment Date**

Subject to the "Business Days" section below, the 21st day of each month. The first Payment Date will be 21 March 2024.

## **Use of Proceeds**

On the Closing Date, the proceeds of issue of the Notes will be used to acquire the Housing Loans.

## **Business Days**

If any payment or calculation is to be made or any other thing done (including in relation to any Payment Date or a Collection Period) on a day which is not a Business Day, the due date will be the next Business Day unless that day falls in the next calendar month, in which case the due date will be the preceding Business Day (**Business Day Convention**).

## **Collection Period**

Each period which commences on (and includes) the 5th day of each month and runs until (and includes) the 4th day of the following month. However, the first Collection Period will commence on (and include) the day after the Cut-Off Date and end on (and include) 4 March 2024. The last Collection Period is the period from (but excluding) the last day of the previous Collection Period to (and including) the Termination Date of the Trust.

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## **Coupon Period**

- (a) In relation to the first Coupon Period of any Note, the period commencing on (and including) the Closing Date and ending on (and including) the day immediately before the first Payment Date.
- (b) In relation to each succeeding Coupon Period, each period commencing on (and including) a Payment Date and ending on (and including) the day immediately before the next Payment Date.
- (c) The final Coupon Period ends on (and excludes) the day on which all amounts due on the Notes are redeemed in full in accordance with the Transaction Documents.

## **Determination Date**

Four Business Days before each Payment Date.

## **Maturity Date**

The Payment Date in August 2055.

## **Pricing Date**

24 January 2024.

## **Record Date**

With respect to a Payment Date, 4.00pm (Sydney time) on the second Business Day before that Payment Date.

## **Initial Invested Amount of each Note**

Each Note will have an initial denomination of A\$100,000. Notes will initially be issued in minimum parcels of at least A\$500,000 or in whole multiples of A\$100,000 in excess thereof.

## **Aggregate Initial Invested Amount of each Class of Notes**

Class A: A\$2,530,000,000

Class B: A\$220,000,000

## **Issue Price**

The Class A Notes and the Class B Notes will be issued at par value.

## **Rating**

It is expected that on the Closing Date the Class A Notes will be rated AAA (sf) by S&P Global Ratings and AAAsf by Fitch Ratings and the Class B Notes will be unrated.

## **Coupon for Notes**

The Coupon on the Notes for each Coupon Period will be payable in arrear on the Payment Date following the end of that Coupon Period. The first Coupon on the Notes will be payable on 21 March 2024 in respect of the first Coupon Period.

The Coupon on the Notes will be calculated:

- (a) on a daily basis at the Coupon Rate applicable for that Class of Note for that Coupon Period;

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- (b) on the Invested Amount of that Note as at the first day of that Coupon Period; and
- (c) on the basis of the actual number of days in that Coupon Period and a year of 365 days,

and shall accrue due from day to day, provided:

- (d) 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; and
- (e) no Coupon will be payable on a Payment Date in respect of the Class B Notes until all Coupon in respect of the Class A Notes and all interest and fees under the Redraw Facility (see section 8.2(a)) have been paid (see section 7.7(a)).

## **Coupon Rate for Class A Notes and Class B Notes**

The Coupon Rate applicable to the Class B Notes for any Coupon Period or applicable to the Class A Notes for a Coupon Period commencing before the Margin Step-Up Date will be the BBSW Rate (or any applicable Fallback Rate) determined on the relevant Interest Determination Date plus the relevant Margin for the relevant Note.

The Coupon Rate applicable to the Class A Notes for a Coupon Period commencing on or after the Margin Step-Up Date will be the BBSW Rate (or any applicable Fallback Rate) determined on the relevant Interest Determination Date plus the Margin for the Class A Notes plus a further percentage rate per annum equal to the Step-Up Margin for the Class A Notes.

The Margin for each of the Class A Notes and the Class B Notes is as determined on the Pricing Date.

## **Principal Repayment**

Any repayment of principal which is required to be made on a Payment Date as described in section 7.9(b) will be made to the persons whose names are, on the Record Date, entered in the Register as the holders of the Notes.

The distribution of Total Available Funds will be made in accordance with the order of priority set out in section 7.7.

For so long as the Serial Paydown Conditions are not met, Principal Collections will be distributed sequentially (first to Class A Noteholders and then to Class B Noteholders). If the Serial Paydown Conditions are met, Principal Collections will be distributed to the Noteholders of each Class proportionately, as described in section 7.9(b).

## **Date-Based Call Option**

On any Payment Date on or after the Date-Based Call Option Date, subject to the restrictions described in section 4.5 (after taking into account any amounts to be applied on the Relevant Payment Date in accordance with section 7):

- (a) Westpac may purchase all Class A Notes from Class A Noteholders for their aggregate Invested Amount; or
- (b) the Trustee may redeem all the Class A Notes (if so directed by the Trust Manager and using the proceeds of sale from the Trustee to Westpac of the equitable title to

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Housing Loans held by the Trust for an amount not less than the lesser of their Unpaid Balance and their Fair Market Value); or

- (c) the Trustee may (if so directed by the Trust Manager), subject to a Rating Notification, issue to Westpac or as it directs, New Class A Notes. The proceeds of issue will be applied by the Trustee on the Relevant Payment Date to repay moneys owing to Class A Noteholders at that time in accordance with the Series Notice (see section 7).

## **Clean-Up Call Option**

Westpac may, subject to the restrictions described in section 4.6 (if the call described in section 4.6 has been triggered by the Trust Manager), purchase the equitable title to the Housing Loans held by the Trust for an amount not less than the lesser of their Unpaid Balance or Fair Market Value. The proceeds of sale will be applied by the Trustee (as trustee of the Trust) to repay moneys owing to Noteholders at that time in accordance with the Series Notice (see section 7).

## **2.4 The Housing Loans**

### **Acquisition of the Housing Loans**

On the Closing Date, the proceeds of the issue of the Notes will be used to acquire the Housing Loans.

The purchase price for the Housing Loans will be A\$2,749,999,999.97 (the **Purchase Price**), being the Housing Loan Principal of all the Housing Loans as at the Cut-Off Date.

On the Closing Date, the Housing Loans purchased by the Trust will be specified in a Sale Notice from the Approved Seller to the Trustee. Some of those Housing Loans will be subject to a discretionary variable rate of interest set by the Approved Seller, while others will be subject to a fixed rate of interest.

The Housing Loans will be sourced from the Approved Seller's portfolio of residential housing loans, originated by the Approved Seller in the ordinary course of its business. Each Housing Loan may have some or all of the product features referred to in section 6.2. They are required to be secured by a registrable first ranking mortgage (or, in certain circumstances, a subordinated mortgage) as at the Cut-Off Date (see section 6.1(a)(B)) and comply in all respects with the Eligibility Criteria (see section 6.1).

For more information on the Housing Loans, see section 6.

### **Assignment of the Housing Loans**

On the Closing Date, the Approved Seller will equitably assign the Housing Loans, Mortgages and Related Securities securing the Housing Loans to the Trustee, pursuant to a Sale Notice substantially in the form annexed to the Trust Deed, after which the Trustee will be entitled to receive (with the assistance of the Servicer) Collections on the Housing Loans. If a Title Perfection Event occurs, the Trustee must take certain actions to perfect its legal title in the Housing Loans. The Trustee will be entitled, under irrevocable powers of attorney granted by the Approved Seller, to perfect its legal title should it be required to do so.



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The Approved Seller may in some instances assign to the Trustee a Housing Loan secured by an "all moneys" Mortgage, which may also secure financial accommodation that has not been sold into the Mortgage Pool and is instead retained by the Approved Seller. The Trustee will hold the benefit of the relevant Mortgage as bare trustee in relation to that other financial accommodation. The Approved Seller may treat that Mortgage as securing the assigned Housing Loan *pari passu* with that financial accommodation.

## **Servicing and Custody**

Westpac has been appointed Servicer under the terms of the Servicing Agreement. As Servicer, Westpac will also maintain custody of the mortgage documents relating to the Housing Loans.

For further details, see sections 5, 9.4 and 9.5.

## **Transfer of Housing Loans**

The Trust Manager is obliged to ensure that if it proposes to comply with a Borrower's request for a Further Advance under a Housing Loan, or to convert (in whole or in part) a Housing Loan from a floating rate of interest to a fixed rate of interest but is unable to ensure that fixed rate of interest is fully hedged, it will (if so requested by the Approved Seller, in its absolute discretion) direct the Trustee to transfer that Housing Loan out of the Trust.

The Trust Manager may also, from time to time, direct the Trustee to transfer a Housing Loan to Westpac or an Other Trust.

Any transfer of a Housing Loan referred to in this section 2.4 must be for a consideration which is not less than the greater of the Unpaid Balance of that Housing Loan and its Fair Market Value.

The Trust Manager is also obliged to ensure that if it proposes to comply with a Borrower's request for a Housing Loan to convert (in whole or in part) from a floating rate of interest to a fixed rate of interest and the Servicer notifies the Trust Manager that the request is approved and made by the Servicer (in its discretion) but the Fixed Rate Test will not be satisfied immediately following that conversion (a **Fixing Event**) then:

- (a) the Approved Seller may (in its discretion) request the Trust Manager, on behalf of the Trustee, to (and on that request the Trust Manager must, on behalf of the Trustee) transfer the relevant Housing Loan from the Trust to the Approved Seller or an Other Trust; and
- (b) if the Approved Seller elects (in its discretion) to purchase that Housing Loan in accordance with sub-paragraph (a), the Trust Manager must (on behalf of the Trustee) transfer to the Approved Seller or an Other Trust (as applicable), and the Approved Seller must acquire (or procure that the Other Trust acquires), that Housing Loan in accordance with clause 8 of the Series Notice within 5 Business Days of the relevant Fixing Event occurring.

For the purpose of this section, the **Fixed Rate Test** is satisfied at any time if the aggregate outstanding principal of all Housing Loans which have a fixed rate of interest does not exceed 30% of the aggregate outstanding principal of all Housing Loans (or such

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other percentage as determined by the Approved Seller provided that the Trust Manager has issued a Rating Notification in connection with that other percentage).

## 2.5 Credit Enhancements

There are three levels of protection against losses available to Class A Noteholders and the Redraw Facility Provider, to the extent that the protections remain available at any given time. These protections are:

- (a) Mortgage Insurance Policies (where applicable);
- (b) application of available Excess Available Income; and
- (c) Subordination of the Class B Notes.

There are two levels of protection against losses available to Class B Noteholders, to the extent that the protections remain available at any given time. These protections are:

- (a) Mortgage Insurance Policies (where applicable); and
- (b) application of available Excess Available Income.

### **Mortgage Insurance Policies**

Housing Loans with a high LVR at the time of origination may be required by Westpac's lending policies to be covered by individual mortgage insurance policies issued by the Mortgage Insurer. If mortgage insurance is required, it will cover an amount up to the principal balance of the Housing Loan assessed at origination, plus it may cover (subject to the relevant policy) accrued interest and reasonable enforcement costs.

Housing Loans with an LVR less than or equal to 80% at the time of origination would generally not be required to be covered by individual mortgage insurance policies.

See Section 8.4 for more detail.

### **Excess Available Income**

To the extent there is a loss under a Housing Loan that is not satisfied by a claim (or deemed claim) under a Mortgage Insurance Policy (if any) or by amounts recoverable by the Trustee from the Approved Seller or the Servicer, the amount which would otherwise have been available to be distributed to the relevant Beneficiary as Excess Available Income (see section 9.3) will be applied (to the extent available) to reimburse, and apply as Gross Principal Collections, losses that were realised during that Collection Period.

To the extent it is available, Excess Available Income may also be used to reimburse any Principal Charge Offs or Carryover Charge Offs of the Notes from previous Collection Periods that remain unreimbursed.

For further details, see section 7.

### **Subordination of Class B Notes**

Class A Noteholders and the Redraw Facility Provider will have the benefit of the subordination of the Class B Notes. That is, to the extent that there is a loss on a Housing Loan which is not satisfied by a claim (or deemed claim) under a Mortgage Insurance Policy (if any), by amounts recoverable by the Trustee from the Approved Seller or the Servicer, or by the application of Excess Available Income, the amount of that loss will be

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allocated to the Class B Notes, reducing the Stated Amount of the Class B Notes until their Stated Amount is zero. The amount of any remaining loss will then be allocated *pari passu* to the Class A Notes and the Redraw Facility, reducing the Stated Amount of the Class A Notes until their Stated Amount is zero and reducing the principal outstanding under the Redraw Facility until it is zero.

For further details, see section 7.10.

## 2.6 Interest Rate Risk Management

### Hedge Agreements

The Trustee will enter into a Basis Swap and an Interest Rate Swap with the Swap Provider under which the basis risk between the floating rate obligations of the Trust (including Coupon on the Notes) and the variable rates or fixed rates (as the case may be) set on the Housing Loans, as permitted by the relevant Housing Loan agreements, at the discretion of the Approved Seller, will be hedged for the benefit of the Noteholders.

For further details, see section 8.3.

### Threshold Rate

If at any time the Basis Swap is terminated, the Trust Manager must, on each Determination Date following that termination, calculate the rate of interest (expressed as a percentage per annum) which if set on all Housing Loans (where permitted under the terms of the relevant loan agreements and to the extent permitted by applicable law) would, when calculated on an overall portfolio basis, be sufficient (assuming that all relevant parties comply with their obligations at all times under the Transaction Documents, the Housing Loans and the relevant Related Securities), when aggregated with the income produced by the rate of interest on all other assets of the Trust (including Hedge Agreements), to ensure that the Trustee will have available to it sufficient Collections to enable it to comply with its obligations under the Transaction Documents as they fall due (the **Threshold Rate**).

If the Servicer is notified of the Threshold Rate, it is required, not more than seven Business Days following the date on which the Basis Swap is terminated, to ensure that the process is commenced to change the interest rates payable on discretionary variable rate Housing Loans, subject to the terms of the loan agreements for the relevant Housing Loans, such that the weighted average rate of interest payable on all relevant discretionary variable rate Housing Loans is not less than the Threshold Rate and immediately notify the Trustee when that process has been commenced.

## 2.7 Liquidity Support

### Principal Draws

If the Trust Manager determines on any Determination Date that the Available Income of the Trust is insufficient to meet Total Payments of the Trust on the following Payment Date (a **Payment Shortfall**), then Principal Collections collected during the immediately preceding Collection Period can be used to fund the Payment Shortfall (a **Principal Draw**) (see section 7.5).

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Amounts paid from any Principal Collections in this way will be reimbursed through Excess Available Income (to the extent available) in subsequent periods out of the Excess Available Income for that period. If there is insufficient Excess Available Income to reimburse Principal Draws, the principal repayable on Notes at maturity may be reduced.

## **Liquidity Facility**

If the Trust Manager determines on any Determination Date that there will be a Liquidity Shortfall on the following Payment Date, the Trustee may be able to draw down on a committed facility provided by the Liquidity Facility Provider up to a total amount equal to the Liquidity Limit at the time. A drawdown is subject to a number of conditions precedent being satisfied (see section 8.1 for further details).

The Transaction Documents permit the Trust Manager to take certain steps so that funding is provided under the Liquidity Facility. The Trustee is not responsible for any actions of the Trust Manager in doing so, or for any losses arising from those actions.

## **2.8 Redraw and Further Advance Funding**

Under the terms of the loan agreements for some of the Housing Loans to be purchased by the Trustee, the relevant Borrower may request the Approved Seller to provide them with a Redraw (see section 6.2(b)). Under the terms of each variable rate Housing Loan, a Borrower may, at the discretion of Westpac, obtain a Further Advance which results (unlike a Redraw) in the Housing Loan Principal exceeding the scheduled principal balance of the Housing Loan prior to the Further Advance. The Approved Seller may provide a Further Advance and may, in its absolute discretion, request the Trust Manager, on behalf of the Trustee, to (and on that request the Trust Manager must, on behalf of the Trustee) transfer the relevant Housing Loan from the Trust to the Seller or an Other Trust within 2 Business Days of the Further Advance.

The Approved Seller is entitled to be reimbursed by the Trustee for Redraws funded by the Approved Seller:

- (a) first, from Gross Principal Collections (see sections 7.8 and 7.9); and
- (b) second, from drawings under the Redraw Facility (see section 8.2(c)),

to the extent each is available. If a Redraw is funded out of Gross Principal Collections or the Approved Seller is reimbursed for a Redraw, the obligation of the Borrower to repay the amount of the Redraw becomes an asset of the Trust.

If Gross Principal Collections are insufficient to fund Redraws or to reimburse the Approved Seller for Redraws funded by it, the Trustee may be able to draw down on a standby facility provided by the Redraw Facility Provider up to a total amount equal to the Redraw Limit at the time (see section 8.2 for further detail).

The Transaction Documents permit the Trust Manager to take certain steps so that funding is provided under the Redraw Facility. The Trustee is not responsible for any actions of the Trust Manager doing so, or for any losses arising from those actions.

If the Approved Seller is not fully reimbursed in relation to a Redraw, it will bear the cost of funding that Redraw until such time as it can be reimbursed by the Trustee.

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## 2.9 Security Trust Deed

The Trustee has, pursuant to the Security Trust Deed, granted a security interest to the Security Trustee over the Trust's assets for the benefit of Noteholders and certain other creditors of the Trust. For further details in relation to the Security Trust Deed, see section 10.

## 2.10 Further Information

### Transfer

The Notes may only be purchased or sold by execution and registration of a Note Transfer. For further details, see sections 4.13 and 4.14.

A Noteholder must not transfer any Notes held by it unless:

- (a) where the Notes are traded on the ASX, they are traded in parcels with a minimum value of A\$500,000; and
- (b) if the transfer is in or from Australia:
  - (i) the amount payable for the Notes on transfer (whether on the ASX or elsewhere) by the transferee is a minimum amount of A\$500,000 (disregarding amounts, if any, lent by the Trustee or other person offering the Notes or an associate (as defined in the Corporations Act) of either of them); or
  - (ii) the offer or invitation to the transferee by the Noteholder otherwise does not require disclosure under Parts 6D.2 or 7.9 of the Corporations Act and the Corporations Regulations made under the Corporations Act; and
- (c) if the transfer is in or from Australia, the transfer is to a person who is not a retail client within the meaning of section 761 of the Corporations Act.

Notwithstanding the above, Notes to be transferred must have an aggregate transfer consideration of at least A\$100,000.

No Note has been or will be registered under the United States Securities Act of 1933 as amended (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States and the Notes may not be offered, sold, delivered, transferred, encumbered or otherwise disposed of (directly or indirectly) within the United States or to, or for the account or benefit of, US persons except pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph and not otherwise defined in this Information Memorandum have the meanings given to them by Regulation S under the Securities Act.

None of the Trust Manager, the Trustee, the Security Trustee, the Servicer or the Approved Seller is liable to any Noteholder in relation to a breach by that Noteholder of these restrictions.

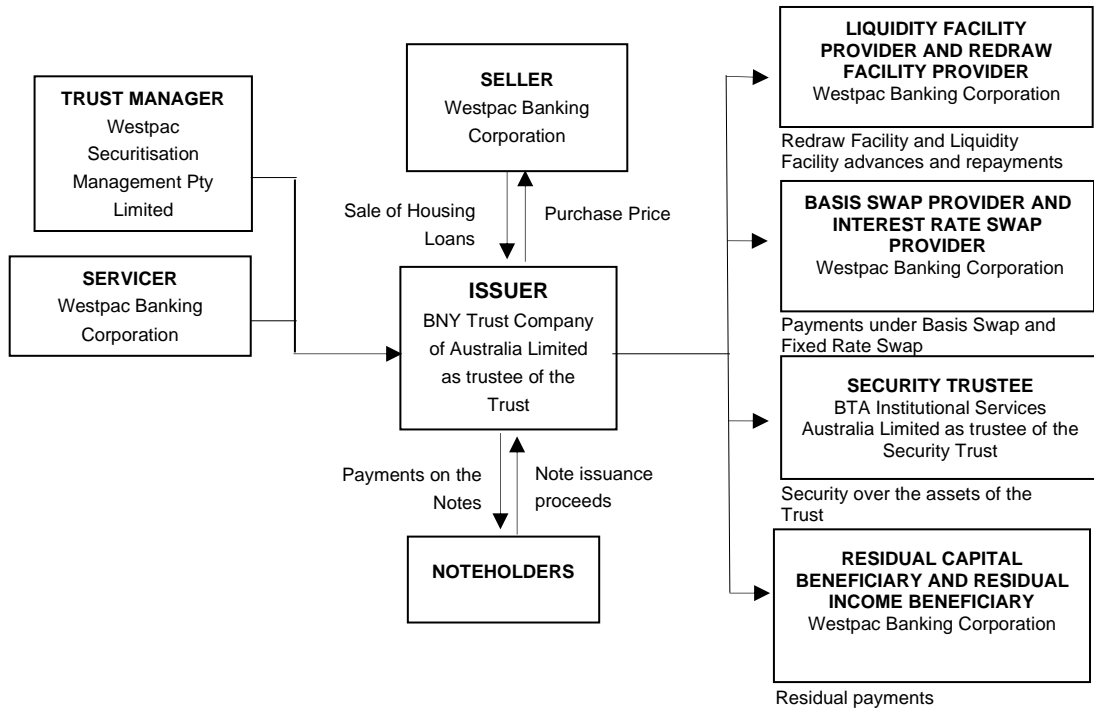
### Stamp Duty

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.

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## 2.11 Structure Diagram

The transaction parties and their relationships are summarised at a high level in the following diagram.



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## **3. Special considerations and risk factors**

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

### **3.1 Limited liability under the Notes**

The Notes are debt obligations of the Trustee as trustee of the Trust. They are issued with the benefit of, and subject to, the 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 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 (as to which see section 9.1(j)), the Trustee will not be personally liable in respect of the Notes.

### **3.2 Secondary market risk**

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

### **3.3 Early principal distributions**

On each Payment Date, Principal Collections will be passed through to Noteholders. The rate of principal and interest payments on different securitised pools of residential housing loans varies among those pools and is influenced by a variety of economic, demographic, social, tax, legal and other factors, including prevailing market interest rates for residential housing loans, the availability of alternative financing and the particular terms of the relevant residential housing loans. No assurance can be given as to the rate at which payments are received under the Housing Loans, which may be faster or slower than Noteholders may expect.

Further, there are a number of circumstances in which the Trust may receive early payments of principal on the Housing Loans and, therefore, pay such Principal Collections to the Noteholders earlier than would otherwise have been the case, including:

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- (a) receipt by the Trustee of enforcement proceeds due to a Borrower having defaulted on their Housing Loan;
- (b) receipt by the Trustee of insurance proceeds in relation to a claim under a Mortgage Insurance Policy in respect of a Housing Loan (if any);
- (c) the transfer of a Housing Loan to the Approved Seller or an Other Trust (see section 2.4);
- (d) repurchase by the Approved Seller of Housing Loans as a result of a breach of any representation referred to in section 6.1(a) as described in section 6.1(b)(ii);
- (e) repurchase by Westpac of Housing Loans as a result of the date-based call or the clean-up call, referred to in section 4.5 and 4.6 (respectively);
- (f) issue of New Class A Notes as a result of the date-based call referred to in section 4.5;
- (g) receipt of proceeds of enforcement of the Security Trust Deed prior to the Maturity Date of the Notes (see section 3.18);
- (h) receipt of proceeds of the sale of Housing Loans if the Trust is terminated while Notes are outstanding (for example, if required by law) and the Housing Loans are then repurchased by the Approved Seller under its right of first refusal or sold to a third party; or
- (i) receipt by the Trustee of damages in respect of any breach of a representation, warranty or undertaking contained in the Transaction Documents.

Class A Notes may also be mandatorily purchased by Westpac in accordance with the date-based call regime described in section 4.5.

Repayments which are received earlier than expected may not be able to be reinvested at the same rate of return as is applicable to the Notes. If payments are received more slowly than anticipated, the Notes may amortise more slowly than anticipated at their issue date.

### **3.4 Repayment holidays may result in insufficient interest**

If a Borrower prepays principal on their Housing Loan, that Borrower may not be required to make any payments, including interest payments, until the Housing Loan Principal plus unpaid interest equal or exceed the scheduled principal balance of that Housing Loan at the relevant time. If a significant number of Borrowers take advantage of this feature at the same time, and the Liquidity Facility and Principal Draws do not provide enough funds to cover the scheduled repayments which were not made on the Housing Loans, the Trustee may not have sufficient funds to pay the full amount of interest on the Notes on the next Payment Date.

### **3.5 Westpac's ability to set the interest rate on variable rate Housing Loans may lead to increased delinquencies or prepayments**

The interest rates on the variable rate Housing Loans are set at the sole discretion of Westpac. If Westpac increases interest rates on the Housing Loans, Borrowers may be unable to make their required payments and, accordingly, may become delinquent or may default on their Housing Loans. In addition, if the interest rates are raised above market



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interest rates, Borrowers may refinance their loans with another lender to obtain a lower interest rate. This could cause higher rates of principal prepayment than expected which could affect the yield on Notes and may lead to reinvestment risk (see section 3.13).

## **3.6 Delinquency and default risk**

If Borrowers fail to make payments of interest and principal under Housing Loans when due there is a possibility that the Trustee may have insufficient funds to make full payments of interest and principal to the Noteholders.

The Trustee's obligation to pay interest and to repay principal in respect of the Notes in full is limited by reference to, among other things, receipts under or in respect of the outstanding Housing Loans. Noteholders must rely for payment under the Notes on Borrowers making payments under the Housing Loans and on amounts available under the Mortgage Insurance Policies (where applicable) and any amounts payable by the Approved Seller or the Servicer in respect of any breach of a representation and warranty or undertaking respectively and, in the case of Coupons, on Principal Collections and the Liquidity Facility (see sections 7 and 8.1).

A wide variety of factors of a legal, economic, political or other nature could affect the performance of Borrowers in making payments of interest and principal under the Housing Loans.

In particular, if interest rates increase significantly, Borrowers may experience distress and increased default rates on the Housing Loans may result. Housing Loans with higher LVRs may present greater risk of delinquency or loss than Housing Loans with a lower LVR. Under the Consumer Credit Legislation, a court may order a Housing Loan to be varied on the grounds of hardship (see section 3.15).

If a Borrower defaults on payments under a Housing Loan and the Servicer enforces the Housing Loan and takes possession of the relevant Mortgaged Property, many factors may affect the price for which the Mortgaged Property is sold and the length of time required to realise the proceeds of sale. Any delay, and any loss incurred as a result of the realised proceeds of the sale of a Mortgaged Property being less than the amount due under the Housing Loan, may affect the ability of the Trustee to make payments, or the timing of those payments, in respect of the Notes, notwithstanding any amounts that may be claimed under a Mortgage Insurance Policy (if any) or otherwise allocated from Gross Principal Collections or drawn under the Liquidity Facility.

Any loss, including any Determined Loss in respect of a write-off referred to in section 5.6, may reduce the principal amount ultimately recoverable in respect of Notes and may reduce the Stated Amount of a Note. If a Noteholder transfers any Note for its Stated Amount pending the receipt of enforcement proceeds (for example, from the sale of the relevant Mortgage Property or receipt of proceeds from a claim under any relevant Mortgage Insurance Claim (if applicable)) the Noteholder will not benefit from any increase in the Stated Amount of that Note that may subsequently occur in accordance with section 7.7(d).

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## **3.7 An early redemption of Notes may affect the return on the Notes**

The Trust Manager has the right to direct the Trustee to sell all (but not some only) of the Housing Loans to the Seller in order to raise funds to redeem the Notes on any Payment Date falling on or after the Date-Based Call Option Date or the Clean-up Call Option Date. If the price for the sale of the Housing Loans (together with all other Principal Collections to be allocated on that Payment Date) will be insufficient to repay the Invested Amount of any Class of Notes (plus accrued interest in respect of such Notes) in full on that Payment Date, the Noteholders of that Class of Notes may by Extraordinary Resolution approve the sale of the Housing Loans for a price that is sufficient to redeem the Notes of that Class for their Stated Amount (plus accrued but unpaid interest in respect of such Notes).

There is no assurance that the assets of the Trust will be sufficient to repurchase or redeem applicable Notes following the Clean-up Call Option Date or the Date-Based Call Option Date, or that the Trust Manager will exercise its discretion and direct the Trustee to redeem the Notes on any such date.

## **3.8 Date-Based Call Option**

On any Payment Date on or after the Date-Based Call Option Date and subject to the restrictions in section 4.5 (after taking into account any amounts to be applied on the Relevant Payment Date in accordance with section 7):

- (a) Westpac may purchase all Class A Notes from Class A Noteholders for their aggregate Invested Amount (after payment of interest on the Class A Notes on that Payment Date);
- (b) the Trustee may redeem all the Class A Notes (if so directed by the Trust Manager and using the proceeds of sale from the Trustee to Westpac of the equitable title to Housing Loans held by the Trust for an amount not less than the lesser of their Unpaid Balance and their Fair Market Value); or
- (c) the Trustee may (if so directed by the Trust Manager), subject to a Rating Notification, issue to Westpac or as it directs, New Class A Notes.

Westpac may purchase Class A Notes under sub-paragraph (a), or Class A Notes may be redeemed using the proceeds under sub-paragraph (b) or (c) (as applicable), at their Stated Amounts instead of at their Invested Amounts, together with accrued but unpaid interest to but excluding the date of redemption, if so approved by an Extraordinary Resolution of the Class A Noteholders.

There is no assurance that the assets of the Trust will be sufficient to repurchase or redeem applicable Notes on the Date-Based Call Option Date or that the Trust Manager will exercise its discretion and direct the Trustee to redeem the Class A Notes on any such date.

## **3.9 Risk of Westpac as counterparty**

Westpac is appointed to certain roles in respect of the transaction, including as Seller, Servicer and Swap Provider. If external circumstances relating to Westpac materially and adversely affect Westpac's financial or operational status, that may adversely affect its

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ability to perform its obligations in respect of the Trust, and so may have an adverse effect on the performance of the Notes.

For example, the appointment of Westpac as Servicer under the Trust Deed and Servicing Agreement may be terminated in certain circumstances (as set out in section 9.4(i)) or the Servicer may resign (as set out in section 9.4(j)). If the Servicer is removed for any reason, the Trustee is obliged to appoint a suitably qualified person as Servicer whose appointment would not materially prejudice the interests of Noteholders (an **Eligible Servicer**) to assume responsibility for servicing the Housing Loans in accordance with the Trust Deed and the Servicing Agreement. There is no guarantee that an Eligible Servicer will be found who would be willing to service the Housing Loans on the terms of the Trust Deed and Servicing Agreement, in which case the Trustee must be appointed as an Eligible Servicer (subject to the conditions and restrictions in the Transaction Documents and limitations on the Trustee's liability in that capacity specified in the Transaction Documents). The ability of the Eligible Servicer (whether it is the Trustee or a third party) to perform the servicing functions under the Trust Deed and Servicing Agreement would depend on the information and records available to it.

In addition, before Westpac as Servicer remits Collections to the Collection Account, the Collections may be commingled with the assets of Westpac. If Westpac becomes insolvent, the Trustee may only be able to claim those Collections as an unsecured creditor of Westpac in Westpac's insolvency. This could lead to a failure to receive the Collections on the Housing Loans, delays in receiving the Collections or losses to Noteholders.

Similarly, the value of Westpac's representations in respect of the Housing loans (see section 6.1) would be affected by any material adverse events affecting Westpac.

While the Notes are not liabilities of Westpac, investors should have regard to Westpac's ASX announcements in considering the risk of Westpac as a counterparty, which may be viewed on ASX's website at [www.asx.com.au](http://www.asx.com.au) (ASX code 'WBC').

### 3.10 Equitable assignment

The Housing Loans will initially be assigned by the Approved Seller to the Trustee in equity. If a Title Perfection Event occurs, the Trustee with the assistance of the Servicer must take such steps as are necessary to perfect the Trustee's legal title in the Housing Loans. Until such time, the Trustee is not permitted to take any steps to perfect legal title and, in particular, it will not notify the Borrowers of the equitable assignment of the Housing Loans to the Trustee.

The delay in the notification to a Borrower of the assignment of the Housing Loans to the Trustee may have the following consequences:

- (a) until a Borrower has notice of the assignment, that Borrower is not bound to make payments under the relevant Housing Loan to anyone other than the Approved Seller and can obtain a valid discharge from the Approved Seller. However, the Approved Seller is appointed as the initial Servicer of the Housing Loans and is obliged to deal with all moneys received from Borrowers in accordance with the Servicing Agreement and the Trust Deed; and

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- (b) for so long as the Trustee holds only an equitable interest in the Housing Loans, the Trustee's interest in them may become subject to the interests of third parties created after the creation of the Trustee's equitable interest but prior to it acquiring a legal interest. However, the Servicer undertakes not to consent to the creation or existence of any security interest over the Mortgaged Property.

## **3.11 Breach of representation or warranty**

The Approved Seller will make certain representations and warranties to the Trustee in relation to the Housing Loans to be assigned to the Trustee (as at the Cut-Off Date), on the Cut-Off Date and the Closing Date (see section 6.1). The Trustee has not investigated or made any enquiries regarding the accuracy of the representations and warranties, and under the Trust Deed is under no obligation to do so. The Trustee is entitled to rely entirely upon the representations and warranties being correct (unless it has actual notice of any event to the contrary). The rights of the Trustee in respect of any representation or warranty being incorrect are described in section 6.1. The repurchase by the Approved Seller of a Housing Loan that is the subject of an incorrect representation will result in increased Gross Principal Collections and may lead to reinvestment risk (see section 3.13).

## **3.12 Mortgage Insurance Policies**

Some Housing Loans have the benefit of Mortgage Insurance Policies (see section 2.5).

The liability of the Mortgage Insurer under a Mortgage Insurance Policy is subject to certain exclusions and indemnity limits. The Mortgage Insurer also has the right to cancel cover or terminate a Mortgage Insurance Policy in respect of a Housing Loan (if any) in certain circumstances.

The exclusions, indemnity limits and rights may affect the ability of the Trustee to make timely and full payments of interest and principal repayments on the Notes (see section 8.4).

The availability of a Mortgage Insurance Policy (if any) as credit support will ultimately be dependent on the financial strength of the Mortgage Insurer. If the Mortgage Insurer encounters financial difficulties which impede or prohibit the performance of its obligations under the Mortgage Insurance Policy, the Trustee may not have sufficient funds to pay the full amount of principal and interest due on the Notes.

There is no guarantee that the Mortgage Insurer will have a rating, or the requisite rating, from a Rating Agency at any time in the future and as such, that Rating Agency may not give full, or any, credit for mortgage insurance provided by the Mortgage Insurer. This may in turn affect the rating of Notes.

## **3.13 Reinvestment risk**

If principal is received on a Housing Loan during a Collection Period, interest at the then rate on the Housing Loan will cease to accrue on that part of the Housing Loan paid from the date of the payment. The amount paid 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 Housing Loan and the rate of return as is applicable to the Notes. Interest will, however, continue to be payable in respect of a corresponding amount of principal on the Notes until

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the next Payment Date following the payment. Accordingly, this may affect the ability of the Trustee to pay interest in full on the Notes, even though the Trustee has access to Gross Principal Collections and the Liquidity Facility for such shortfalls (see sections 7.5 and 7.6).

### **3.14 The ability for borrowers or Westpac to change the product classification for Housing Loans may affect repayments or prepayments**

Either borrowers or Westpac may request or change the product classification of a Housing Loan from owner-occupied to investment (or vice versa) as described in section 6.2(h). This may affect the interest rate charged on the Housing Loans. If the change results in increased interest rates on the Housing Loans, Borrowers may be unable to make their required payments and, accordingly, may become delinquent or may default on their Housing Loans. The change could also impact repayment rates (either higher or lower) which could affect the yield on Notes and may lead to reinvestment risk (see section 3.13).

### **3.15 Consumer Credit Legislation**

Some of the Housing Loans will be regulated by Consumer Credit Legislation or any code of practice binding on the Approved Seller or Approved Servicer including any provision of the Banking Code of Practice (as amended or replaced from time to time) or any other laws applicable to banks or other lenders in the business of making retail home loans. These Laws and any such Codes of Practice specifically regulate consumer lending but, in addition contain general prohibitions against engaging in unconscionable conduct and misleading or deceptive conduct.

The Consumer Credit Legislation and any such Codes of Practice may have the following broad impacts:

- (a) Borrowers, guarantors and mortgagors who are parties to Housing Loans may have rights, including to compensation, payment of civil penalties, to having their agreements varied or declared void or unenforceable in whole or part (which can potentially be undertaken through representative or class actions commenced across multiple loans by individuals or ASIC) including:
  - (i) obtaining orders as are appropriate to compensate that party for, or prevent or reduce the suffering by that party of, loss or damage that party has suffered or is likely to suffer as a result of a contravention of certain provisions of the Consumer Credit Legislation or the commission of offences against these laws;
  - (ii) that a term of a loan which is a standard form contract that is unfair is void;
  - (iii) applying to have their loan varied on the grounds of hardship or reopening the transaction that gave rise to the loan, mortgage or guarantee on the grounds that it is an unjust contract and the court may make a range of orders including setting aside or varying an agreement or mortgage or releasing the Borrower and/or guarantor from payment;

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- (iv) having any interest rate change, establishment fee, early termination fee or prepayment charge payable on their loan which is unconscionable reduced or cancelled;
- (v) obtaining an injunction preventing loans from being enforced (or any other action in relation to the Housing Loans) if to do so would breach the Consumer Credit Legislation;
- (vi) having certain provisions of their loan which are in breach of any Consumer Credit Legislation declared unenforceable;
- (vii) obtaining an order for a civil penalty where their loan breaches certain key requirements of the National Credit Code (the amount of the penalty will depend on who brings the application, the nature of the breach and the type of loan, but for some 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). If an application for a civil penalty is made by a debtor, any civil penalty awarded may be set off by the debtor against any amount due under their loan;
- (viii) exercising a right against the Trustee or Westpac (as applicable) in relation to any breaches of the Consumer Credit Legislation in relation to their loan; or
- (ix) obtaining an order for the recovery of fees and charges which are not authorised to be charged under the terms of their loan or the Consumer Credit Legislation.

The exercise of any such right may affect the timing or amount of interest, fees and charges or principal repayments under a Housing Loan (which might in turn affect the timing or amount of interest payments or principal repayments under the Notes).

- (b) Conduct and other obligations are imposed upon lenders and other parties who provide credit services (as that term is defined in the National Consumer Credit Protection Act 2009 (Cth)) including:
  - (i) to comply with responsible lending requirements;
  - (ii) to do all things necessary to ensure that credit activities are engaged in honestly efficiently and fairly;
  - (iii) to make certain written disclosures and provide certain documents to parties to Housing Loans; and
  - (iv) mortgage brokers are required to act in the best interests of their clients and to prioritise their clients' interests when providing credit assistance and benefits which are conflicted remuneration cannot be given or received in connection with credit services provided by mortgage brokers and intermediaries.

Breaches of the Consumer Credit Legislation, including these obligations, may give rise to criminal and civil penalties being imposed generally by ASIC, as the relevant

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regulator. The market has experienced an increased level of enforcement, supervisory and regulatory activity in the aftermath of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. The maximum civil penalty under the National Consumer Credit Protection Act 2009 (Cth) (excluding the National Credit Code) and the Australian Securities and Investment Commission Act 2001 for a body corporate ranges from 50,000 penalty units to 2.5 million penalty units. The value of a penalty unit as at the date of this Memorandum is \$313.

Civil and criminal penalties would be imposed on the Approved Seller, for so long as it holds legal title to the Housing Loans (the Lender of Record). If the Trustee acquires legal title, it will then become primarily responsible for compliance with Consumer Credit Legislation. The Trustee will (subject to limited exceptions) be indemnified out of the assets of the Trust for its liabilities under the National Consumer Credit Protection Act 2009 (Cth) (including the National Credit Code).

- (c) Lenders and other parties who provide credit services (as that term is defined in the National Consumer Credit Protection Act 2009 (Cth)) are required either to hold an Australian Credit Licence, be a credit representative of such a licensee or be subject to an exemption from these requirements. The licensing regime has the effect, where it applies, that debtors, mortgagors and guarantors, who are parties to Housing Loans, may refer disputes to the Australian Financial Complaints Authority (AFCA) for resolution. 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 AFCA Rules) does not exceed \$1,085,000. 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.
- (d) ASIC is able to impose conditions on licensees and suspend or cancel licences where licensees do not meet their obligations.
- (e) Issuers and distributors of financial products (which include credit products) are also subject to design and distribution obligations under Part 7.8A of the Corporations Act 2001 (Cth). These obligations require:
  - (i) issuers to design financial products that are likely to be consistent with the likely objectives, financial situation and needs of the consumers for who they are intended. This is principally done through an obligation for issuers to prepare a target market determination for each financial product describing the class of consumers that comprises the target market;
  - (ii) issuers and distributors must take reasonable steps that are reasonably likely to result in financial products reaching consumers in the target market; and

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- (iii) issuers must monitor outcomes of consumers in their product and review the product to ensure that consumers are receiving products that are likely to be consistent with their likely objectives, financial situation and needs.

ASIC has a specific power to issue a stop order to prohibit entities engaging in certain conduct in breach of the requirements under Part 7.8A of the Corporations Act. ASIC is obliged to hold an administrative hearing and give reasonable opportunity for interested persons to make submissions.

Additionally, both civil and criminal liability can arise for a contravention of the obligations under Part 7.8A of the Corporations Act and consumers can seek to recover loss or damage that they suffer as a result of such breaches in court by taking action against the issuer and/or distributor. The Court also has power to make a variety of orders when it thinks it is necessary to do justice between the parties, include declaring a contract void.

The Consumer Credit Legislation and other applicable Laws are regularly amended and subject to interpretation by the Courts. These changes as they are made may impact the housing market, for example, change the expected rate of refinancing activity. This could also cause higher or lower rates of principal repayment to be expected.

## 3.16 Unfair Contract Terms

The terms of a Loan or a related mortgage or guarantee may be subject to review for being "unfair" under Part 2 of the Australian Competition and Consumer Act 2010 (Cth) and the Australian Securities and Investments Commission Act 2001 (Cth) (**ASIC Act**) and/or Part 2B of the Fair Trading Act 1999 (Vic) (the **Fair Trading Act**), depending on when the relevant credit contract was entered into.

From 1 January 2011 the unfair contract terms provisions in the ASIC Act have been aligned to the equivalent provisions in the Australian Consumer Law (the **ACL**) contained at Schedule 2 of the Australian Competition and Consumer Act 2010 (Cth), a single, Australian national consumer law which replaces provisions in 17 Australian national, State and Territory consumer laws. The unfair contract terms regime under the ASIC Act commenced on 1 July 2010, while the application of the unfair contract terms regime to credit contracts under the Fair Trading Act commenced in June 2009.

The regime under the ASIC Act and/or the ACL may apply to a Loan or a related mortgage or guarantee depending on when it was entered into; however, given that the unfair contract terms provisions in the Fair Trading Act have now been repealed in favour of the ACL, a Loan or a related mortgage or guarantee entered into after 1 January 2011 will only be subject to the ASIC Act. Loans or a related mortgage or guarantee entered into before 1 January 2011 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). The Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Act 2015 (Cth) came into force on 12 November 2016 and has the effect of extending the national regime to small business contracts. The Loans that will be affected are those where: at least one party is a business that employs less than 20 people and the



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upfront price payable under the contract is: A\$300,000 or less; or A\$1,000,000 or less, if the contract is for more than 12 months.

Under the ASIC Act and/or the ACL, as applicable, unfair terms in standard form consumer contracts will be void. However, a contract will continue to bind the parties to the contract to the extent that the contract is capable of operating without the unfair term. Relevantly, the contracts documenting Loans or a related mortgage or guarantee will be considered standard form contracts.

Under the ASIC Act and/or the ACL, as applicable, a term of a standard-form consumer contract will be unfair, and therefore void, if it is a proscribed unfair term (in the case of a consumer contract subject to the Fair Trading Act only) or it causes a significant imbalance in the parties' rights and obligations under the contract, is not reasonably necessary to protect the supplier's legitimate interests (in the case of consumer contracts entered into from 1 July 2010 only) and would cause detriment to the consumer if it were relied on. Therefore the effect of this provision will depend on the actual term of the agreement or contract that was declared unfair.

Although the relevant legislation outlines examples of what is considered to be unfair terms in contracts, to date there is limited case law as to how the courts will interpret these provisions.

Any determination by a court or tribunal that a term of a Loan or a related mortgage or guarantee is void under the ASIC Act and/or the ACL due to it being unfair may adversely affect the timing or amount of any payments thereunder (which might in turn affect the timing or amount of interest or principal payments under the Notes). 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.

The *Treasury Laws Amendment (More Competition, Better Prices) Act 2022* amended the Unfair Contract Terms provisions in the ASIC Act and Australian Competition Law Unfair Contract Terms Reforms. The amendments (among other things):

- (a) critically, enable courts to impose pecuniary penalties for the inclusion of, or reliance on, unfair terms in standard form consumer or small business contracts. The maximum penalty that can be imposed would be the greatest of 50,000 penalty units, the amount of the benefit derived and detriment avoided because of the contravention multiplied by 3 or 10% of the annual turnover of the corporation convening the provision. This is a significant change from the previous regime where an unfair contract term was merely void and did not give rise to penal consequences;
- (b) expand the definition of 'small business' so the protections now apply to any standard form contract where one party has up to 100 employees or an annual turnover of \$10 million. The dollar value test for the upfront price of the contract under the ASIC Act is increased to \$5 million and is removed under the ACL; and

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- (c) give courts more flexible remedies where a contract term is found to be unfair. The reforms allow a court to make an order to void, vary or refuse to enforce part or all of a contract (but not award damages) in certain circumstances, and to make orders preventing a similar clause from being included in any future standard form small business or consumer contract by the contravening party, or to prevent, reduce or redress loss or damage that is likely to be caused. The provisions will not require a court to consider that they will redress actual loss or damage.

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

### **3.17 Unreimbursed Redraws will be paid before principal on the Notes**

On each Payment Date, Gross Principal Collections will be used to reimburse Westpac for any Redraws funded by Westpac during the related Collection Period prior to principal payments being made on the Notes. In addition, unreimbursed Redraws will rank ahead of the Notes with respect to payment of principal after enforcement of the security interest granted under the Security Trust Deed. Noteholders may not receive full repayment of principal on the Notes, or payment of principal may be delayed.

### **3.18 The proceeds from the enforcement of the Security Trust Deed may be insufficient to pay amounts due under the Notes**

If the Security Trustee enforces the security interest over the assets of the Trust after an Event of Default occurs under the Security Trust Deed (see section 10), there is no assurance that the market value of the assets of the Trust (including the Housing Loans) will be equal to or greater than the outstanding principal and interest due on the Notes and the other secured obligations that rank ahead of or equally with the Notes, or that the Security Trustee will be able to realise the full value of the assets of the Trust (including selling the Housing Loans for their Unpaid Balance). The Trustee and the Security Trustee will generally be entitled to receive the proceeds of any sale of the assets of the Trust, to the extent they are owed fees and expenses, before the Noteholders. Consequently, the proceeds from the sale of the assets of the Trust after an Event of Default under the Security Trust Deed may be insufficient to pay Noteholders outstanding principal and interest in full.

### **3.19 Voting Mortgagees must act to effect enforcement of the Security Trust Deed**

Following the Security Trustee becoming actually aware of the occurrence of an Event of Default, it shall (unless it is directed to waive any immaterial breach in accordance with the Security Trust Deed) promptly convene a meeting of the Voting Mortgagees in accordance with the Security Trust Deed, at which it shall seek directions from the Voting Mortgagees by way of an Extraordinary Resolution of the Voting Mortgagees (or a written resolution signed by all Voting Mortgagees) regarding the action it should take as a result of that Event of Default.

The Security Trustee may refuse to take any action unless personally indemnified to its reasonable satisfaction.

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Accordingly, if the Voting Mortgagees have not directed the Security Trustee to do so, or the Security Trustee is not appropriately indemnified, enforcement of the Security Trust Deed will not occur.

If there is at any time a conflict between a duty owed by the Security Trustee to any Mortgagees or class of Mortgagees, and a duty owed by it to another Mortgagee or class of Mortgagee, the Security Trustee must give priority to the interests of the Noteholders, as follows:

- (a) the Class A Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders or the other persons entitled to the benefit of the security interest granted under the Security Trust Deed; and
- (b) the Class B Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Class B Noteholders and the interests of the other persons entitled to the benefit of the security interest granted under the Security Trust Deed (other than Class A Noteholders).

### **3.20 The use of Principal Collections to cover shortfalls may lead to principal losses**

If Principal Collections are drawn upon to cover shortfalls in interest collections and there are insufficient excess interest collections in succeeding Collection Periods to repay those Principal Draws, Noteholders may not receive full repayment of principal on their Notes.

### **3.21 There are limits on the amount of available liquidity**

If Principal Collections (in the form of Principal Draws) are not sufficient to cover a shortfall in Finance Charge Collections for a Payment Date, the Trustee will draw funds under the Liquidity Facility. If there is not enough money available under the Liquidity Facility, the Noteholders may not receive a full payment of interest on that Payment Date.

### **3.22 The concentration of Housing Loans in specific geographic areas may increase the possibility of losses on the Notes**

If the Trust contains a high concentration of Housing Loans secured by properties located in a particular region or state, any deterioration in the real estate values or the economy of any of those states or regions could result in higher rates of delinquencies, foreclosures and loss than expected on the Housing Loans. These events may in turn have a disproportionate impact on funds available to the Trust, which could result in losses for Noteholders.

### **3.23 Natural disasters or change in environmental circumstances may increase the possibility of losses on the Notes**

If the Trust contains a significant concentration of Housing Loans secured by properties located in a region or state that experiences natural disasters or change in environmental circumstances (including but not limited to bushfires, cyclones and floods) which: result in property damage (and those properties are not fully insured against the type of natural disaster which occurs), affect the value of properties, or result in a deterioration of the economy, it could result in higher rates of delinquencies, foreclosures and losses than

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expected on the Housing Loans. These events may in turn have a disproportionate impact on funds available to the Trust, which could result in losses for Noteholders.

## 3.24 Privacy

The collection and handling of personal information about individuals (including debtors, mortgagors and guarantors) is regulated by the Australian *Privacy Act 1988* (Cth) including the 13 principles known as the Australian Privacy Principles set out at Schedule 1 to that Act. The Act contains restrictions and requirements relating to the collection, use, disclosure and management of personal information (including credit reporting information). Depending on the type of information involved, if such collection, use, disclosure or management of personal information does not comply with the Act, the offending party can be liable to civil penalties. In addition, an individual adversely affected by a breach of the Act can lodge a complaint to the Office of the Australian Information Commissioner (**OAIC**) or to a recognised external dispute resolution scheme, depending on the circumstances. These bodies can investigate a complaint and make determinations which can become binding on the offending entity. Such findings may include the payments of compensation for loss or damage or the taking of remedial action to address such a breach.

Part IIIC, Div 3 of the Act imposes obligations on entities in relation to eligible data breaches. An eligible data breach relevantly arises when the following three criteria are satisfied: (1) there is unauthorised access to or unauthorised disclosure of personal information, or a loss of personal information, that an entity holds; (2) a reasonable person would conclude that this is likely to result in serious harm to one or more individuals; and (3) the entity has not been able to prevent the likely risk of serious harm with remedial action.

If an entity is aware of reasonable grounds to believe that there has been an eligible data breach, it must, among other things, notify OAIC about the eligible data breach as soon as practicable after the entity becomes so aware and comply with the notification requirements in respect of the individuals to whom such an eligible data breach relates. On the other hand, if an entity only has reason to suspect that there may have been a serious breach, it needs to resolve that suspicion by carrying out a reasonable and expeditious assessment of whether there are reasonable grounds to believe that the relevant circumstances amount to an eligible data breach. The entity must take all reasonable steps to ensure that the assessment is completed within 30 days after the entity becomes aware of reasonable grounds to suspect that there might have been an eligible data breach. If, during the course of an assessment, it becomes clear that there has been an eligible data breach, then the entity needs to promptly comply with the notification requirements.

A failure to comply with the Australian Privacy Principles or the provisions of the Act relating to notification of eligible data breaches will constitute an "interference with the privacy of an individual". There are a number of potential consequences of such interference with the privacy of an individual including the exercise by OAIC of its investigative powers and the making of determinations by OAIC that could require an entity to compensate any loss or damage suffered by an individual, and court proceedings initiated by OAIC to enforce a determination or for an injunction or an order that the entity pay the Commonwealth a pecuniary penalty.

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## **3.25 A decline in Australian economic conditions may lead to losses on the Notes**

The Australian economy is navigating intense headwinds, notably high inflation, and sharply higher interest rates.

Inflation globally and domestic climbed during the pandemic and spiked as economies emerged from COVID-19 disruptions.

The RBA and other central banks have aggressively tightened policy in response to the significant inflation challenge. The RBA lifted the cash rate from a record low of 0.1% at the start of May 2022 to be at 3.10% at end 2022, increasing further to be at 4.35% by end 2023.

The economic slowdown is centred on consumer spending and the interest rate sensitive housing sector. Consumer spending is contracting in per capita terms as real household disposable income declines – squeezed by high inflation, higher interest rates and additional tax obligations.

Australian household balance sheets strengthened significantly during the pandemic. Households, in aggregate, built-up a sizeable saving buffer in 2020 and 2021, boosted by income transfers from the government and a curtailing of spending during periods of COVID-19 restrictions, notably lockdowns. This buffer is now being drawn upon and is, to some extent, cushioning the downturn. The labour market, while beginning to ease, has been resilient. Despite these supports, some households are under intense pressure with the impacts of the downturn being felt unevenly.

Nationally, dwelling prices in the capital cities, moved materially lower during 2022. In 2023, prices rebounded despite elevated interest rates, squeezed higher by rising demand associated with strong population growth and limited supply. Dwelling prices, in aggregate, have largely reversed the declines of 2022.

If the Australian economy were to experience a significantly more severe downturn, including higher unemployment and interest rates and a sharper fall in property values, delinquencies or losses on the Housing Loans may increase, which may cause losses on the Notes.

## **3.26 Rating**

It is expected that the Class A Notes will be rated AAA (sf) by S&P Global Ratings and AAAsf by Fitch Ratings and that the Class B Notes will be unrated. Ratings other than these have not been requested. 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, a change in the product mix in the pool of Housing Loans (for example, differences in Rating Agency treatment of investor and owner occupied loans could lead to changes in ratings of Notes if the proportion of the loan types in the pool varies over time) or a change in a rating of the Mortgage Insurer (or the Mortgage Insurer ceasing to have a rating). A revision, suspension, qualification or withdrawal of a rating of a Note may adversely affect the price of the Note.

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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 Housing Loans.

Neither Rating Agency has been involved in the preparation of this Information Memorandum.

Additionally, a rating agency not hired to rate the Notes may provide an unsolicited rating that differs from (or is lower than) the rating provided by a Rating Agency. No transaction party will be responsible for monitoring any changes to the ratings on the Notes.

### **3.27 The termination of any of the Hedge Agreements may subject Notes to losses**

The basis risk between the floating rate obligations of the Trustee (including interest payable on the Notes) and the variable housing rates set by Westpac will be hedged by means of the Basis Swap. Pursuant to the Basis Swap, each month the Basis Swap Provider will pay the Trustee an amount calculated by reference to the aggregate Housing Loan Principal balance of all variable rate Housing Loans at the BBSW Rate plus an agreed spread, and will receive from the Trustee amounts calculated by reference to the same notional principal amount at the daily weighted average variable housing rate applicable to the Housing Loans (see section 8.3(a)).

If at any time the Basis Swap is terminated, the Trust Manager must, on each Determination Date following that termination, calculate the Threshold Rate. If the Servicer is notified of the Threshold Rate, it is required, subject to the terms of the relevant Housing Loans, to ensure that the process is commenced to change the rate of interest (expressed as a percentage per annum) on all relevant discretionary variable rate Housing Loans, such that, the weighted average rate of interest payable on all relevant discretionary variable Housing Loans is not less than the Threshold Rate and immediately to notify the Trustee when that process has been completed. In this situation, the variable Housing Loan rates across the Mortgage Pool may be set at above market interest rates, including rates higher than Westpac's other variable rate housing loans, to meet the obligations of the Trustee. Such an increase in interest rates could result in the affected Borrowers refinancing their Housing Loans with another bank, which in turn could cause Noteholders to experience higher rates of principal repayment on their Notes than initially anticipated. That increase could also result in increased defaults under the Mortgage Pool, which in turn could lead to losses on the Notes.

An Interest Rate Swap will be used to hedge the interest rate risk between the floating rate obligations of the Trustee (including interest payable on the Notes) and the fixed rate agreed between Westpac and the Borrower on those Housing Loans which bear a fixed rate of interest (see section 8.3).

If the Interest Rate Swap is terminated, the Trustee will be subject to the risk that the interest payable on those Housing Loans which are subject to a fixed rate of interest will be insufficient to enable the Trustee to make payments of the floating rate of interest payable

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on the Notes. See section 8.3(b) for more details relating to the termination of the Hedge Agreements.

## **3.28 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 more 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 Housing Loans as a result of lower market interest rates or for any other reasons, Noteholders will likely receive an unanticipated payment of principal. This could cause higher rates of principal prepayment than expected which could affect the yield on Notes and may lead to reinvestment risk (see section 3.13).

## **3.29 Withholding tax**

There will not be any deduction on payments of interest under the Notes on account of Australian interest withholding tax where the holder of the Note is a resident of Australia for Australian tax purposes (a Resident) or a holder that is not a resident of Australia for Australian tax purposes (a Non-Resident) that holds the Notes through a permanent establishment in Australia.

Australian interest withholding tax will be deducted on payments of interest under the Notes to any person who is a Resident that holds the Notes through a permanent establishment outside Australia or a Non-Resident holder of a Note (other than a Non-Resident that holds the Notes through a permanent establishment in Australia) unless the Notes are offered, and interest is paid from time to time, in a manner which satisfies the exemption from interest withholding tax contained in section 128F of the Income Tax Assessment Act 1936 (Cth) (*ITAA 1936*), or another exemption applies (e.g. an exemption under a double tax treaty).

The Trust Manager proposes to direct the Trustee to issue Class A Notes on the Closing Date in a manner which will satisfy the requirements of section 128F of the ITAA 1936.

The Class B Notes will not be issued in a manner that will satisfy the requirements of section 128F of the ITAA 1936.

If a withholding tax is imposed on payments of interest on the Notes, Noteholders will not be entitled to receive any gross up or other additional amount to compensate for the withholding tax. Noteholders will therefore receive less interest than is scheduled to be paid on each Payment Date. In addition, the Trust Manager has a discretion to direct the Trustee to redeem the Notes in full (but not in part) if a withholding tax is imposed on payments due by the Trustee under the Notes or by Borrowers under the Housing Loans (see section 4.7). If the Notes are redeemed in this way, Noteholders may not be able to

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invest the amounts received on redemption at an interest rate comparable to that payable on their Notes.

In addition, if the Swap Provider is required to deduct or withhold from any payment under a Hedge Agreement an amount for or on account of any Tax, it is not required to gross up such payments. In these circumstances, the Trustee may not have sufficient funds to meet its payment obligations in respect of the Notes.

### 3.30 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; withholding at 30 per cent is the cost of not reporting. This means that FATCA will impose certain due diligence and reporting obligations on foreign (non-US) financial institutions. 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 due diligence, 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**) will 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 will be exempt from FATCA (e.g. superannuation funds);
- (c) Reporting AFIs, that is, Australian Financial Institutions that are not exempt, will need to:
  - (i) register with the IRS and obtain a GIIN; and



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- (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
- (d) there will be no withholding on the withholdable payments 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 a new Division 396 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 Reporting AFI (within the meaning of the FATCA Agreement) and that 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 Australian Taxation Office (the **ATO**) or the IRS and which may be updated from time to time, may also affect the application of FATCA to the Notes.

### 3.31 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.

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Broadly, under the CRS, banks and other financial institutions will need to collect and report to 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 new 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 of the succeeding calendar year.

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. The ATO will only exchange this information if the account holder's jurisdiction of tax residency participates in the regime.

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.

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

## **3.32 Enforcement**

The servicer could encounter substantial delays in connection with the enforcement of a Housing Loan, which may lead to shortfalls in payments to Noteholders to the extent those shortfalls are not covered by applicable Mortgage Insurance Policies (if any), Excess Available Income or the subordination features of the Class B Notes (in the case of Class A Notes). If the proceeds of the sale of a Mortgaged Property, net of preservation and liquidation expenses, are less than the amount due under the related Housing Loan, the Trustee may not have enough funds to make full payments of interest and principal due to Noteholders, unless the difference is covered by the relevant Mortgage Insurance Policy (if any), Excess Available Income or the subordination features of the Class B Notes (in the case of Class A Notes).

## **3.33 Support Facilities**

Westpac is acting in the capacities of Redraw Facility Provider, Liquidity Facility Provider, Basis Swap Provider and Interest Rate Swap Provider. Accordingly, the availability of these various support facilities with respect to the Notes will ultimately be dependent on the financial strength of Westpac. If Westpac 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.

## **3.34 Consolidation and GST grouping**

The Trust will form part of the Westpac consolidated tax group, and the Trust will not be liable for the group tax liabilities of the consolidated tax group, except in the event of a default by the head company. However, as the Trust is a party to the Westpac tax sharing agreement, this means that, in the event of a default by the head company, the Trustee should only be liable for its contribution amount under the Westpac tax sharing agreement in respect of an outstanding group tax liability, in circumstances where that contribution amount represents a reasonable allocation of the total amount of the group tax liability among Westpac and the members of the Westpac consolidated tax group.

On the basis that the Trust would otherwise be taxed on a flow through basis and that the Residual Income Unit Beneficiary would be presently entitled to all of the net income of the Trust if the Trust was not part of the Westpac consolidated tax group, the contribution amount of the Trustee in respect of the income tax group liability should be nil. It is expected that the contribution amount for other group tax liabilities of the Westpac consolidated tax group should also be nil. However, in the event that the Westpac tax sharing agreement is not effective, the Trustee could become liable for a greater portion of any outstanding group tax liability of the Westpac consolidated tax group or become jointly and severally liable for the full amount of such group tax liability.

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The Trust will also form part of the Westpac GST group, and will not be the representative member of the GST group. The representative member of the GST group will be liable for GST on any taxable supplies made by the Trust and entitled to claim input tax credits for any acquisitions made by the Trust. Notwithstanding that the representative member of the GST group is liable for GST payable on any taxable supply made by a member of the GST group, each member of the GST group will remain jointly and severally liable to pay any GST that is payable by the representative member. However, as the Trust is a party to the Westpac indirect tax sharing agreement, this means that, in the event of a default by the representative member, the Trustee should only be liable for its contribution amount under the Westpac indirect tax sharing agreement in respect of an outstanding GST liability, in circumstances where that contribution amount represents a reasonable allocation of the total amount of the GST liability among the representative member and the members of the GST group.

Having regard to the supplies that will be made by the Trust under the Transaction Documents and provided that the Trust does not make taxable supplies or acquisitions from offshore that would generate reverse charge GST liabilities, it would be expected that a nil contribution amount would be allocated to the Trust pursuant to the indirect tax sharing agreement.

### **3.35 Subordination of the Class B Notes provides only limited protection against losses**

The subordination of the Class B Notes is intended to increase the likelihood of payment on the Class A Notes. However, the amount of credit enhancement provided to the Class A Notes through the subordination of the Class B Notes is limited and could be depleted prior to the payment in full of the Class A Notes. If the Stated Amount of the Class B Notes is reduced to zero, the Class A Noteholders may suffer losses on their Notes.

### **3.36 Risk retention regulation**

There remains considerable uncertainty with respect to the effect and implementation of some aspects of the EU Securitisation Regulation (including the EU Retention Rules (as defined in Section 1.17) and the EU Transparency Requirements (as defined in Section 3.43)), the UK Securitisation Regulation (including the UK Retention Rules (as defined in Section 1.18) and the UK Transparency Requirements (as defined in Section 3.44)), and other risk retention rules globally, and it is not clear what will be required to demonstrate compliance to national regulators.

In addition, the EU Retention Rules cover a wider scope of EU-regulated investors (such as certain types of investment fund managers, insurance and reinsurance undertakings) than under the previous legislation. The UK Retention Rules adhere closely to, and have a similar scope of application (in respect of the UK) as the EU Retention Rules. Similar requirements to those set out in the EU Retention Rules and the UK Retention Rules may be implemented for non-EU or UK-regulated investors in the future.

Any changes to the EU Retention Rules, the UK Retention Rules or any other risk retention rules globally or their interpretation, or to regulation or regulatory treatment of the Notes for some or all investors, may negatively impact the regulatory position of investors and the price and liquidity of the Notes in the secondary market.

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## 3.37 Personal Property Security Regime

The Personal Properties Securities Register (**PPSR**) commenced operation throughout Australia on 30 January 2012 pursuant to the PPSA which established a national system for the registration of security interests in personal property and introduced rules for the creation, priority and enforcement of security interests in personal property.

Security interests for the purposes of the PPSA include traditional securities over personal property such as charges and mortgages and other transactions that, in substance, secure payment or performance of an obligation but may not have previously been legally classified as securities under general law (for example, hire purchase agreements, leases such as finance leases and capital leases, retention of title arrangements, flawed asset arrangements and turnover trusts). Further, certain other interests are deemed to be security interests whether or not they secure payment or performance of an obligation (for example, the interest of a lessor under a lease of goods for a term of more than two years (**PPS lease**) or the assignee of certain receivables).

A person who holds a security interest under the PPSA is not obliged to register (or otherwise perfect) the security interest. However, if they do not do so:

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

The assignment of the Housing Loans by the Approved Seller to the Trustee is a deemed security interest under the PPSA as the Housing Loans are “accounts”. The interest of a transferee under a transfer of an account is deemed to be a security interest whether or not the transaction secures payment or performance of an obligation. The Trustee will need to register the assignment to ensure that its interest in the Housing Loans has priority over another competing interest in the Housing Loans (such as another security interest or the interest of a third party purchaser). However, provided the assignment does not secure payment or performance of an obligation, a failure to register will not prevent the Trustee from being able to enforce against the Approved Seller. The security granted by the Trustee under the Security Trust Deed to the Security Trustee is also a security interest under the PPSA. The Security Trustee will need to register the security under the Security Trust Deed to eliminate priority, taking free and vesting risk. There is uncertainty on aspects of the PPSA regime because the PPSA significantly alters the law relating to secured transactions. There are issues and ambiguities in respect of which a market view or practice will evolve over time.

## 3.38 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)

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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 and exemptions in the regulations and declaration is unclear. 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.

### **3.39 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).

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Basel III has been implemented in the EEA through the EU Capital Requirements Regulation and the EU Capital Requirements Directive (together EU CRD). The EU CRR establishes a single set of prudential rules for EEA financial institutions (including the Liquidity Coverage Ratio and the Net Stable Funding Ratio) which apply directly to all credit institutions in the EEA, with the EU CRD containing less prescriptive provisions which (unlike the EU CRR, which applies across the European Union without the need for any member state-level legislation) are required to be transposed into national law. Together the EU CRR and EU CRD reinforce capital standards and establish a leverage ratio backstop. As EU CRD allows certain national discretions, the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. Pursuant to the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020), from 11pm (GMT) on 31 December 2020 (the Implementation Period Completion Day), the EU CRD which previously had direct effect in the UK by virtue of the European Communities Act 1972 became part of domestic UK law.

In December 2017, the Basel Committee announced a set of amendments to the Basel III package, described by some commentators as “Basel IV”. These reforms introduce significant limitations on the ability of banks to reduce their capital requirements through their calculation of risk weighted assets (**RWAs**) using the Internal Ratings Based approach (the **IRB Approach**). The reforms include revisions to the IRB Approach for credit risk, revised minimum capital requirements for market risk, revisions to the credit value adjustment risk framework, amendments to the leverage ratio exposure measure and the introduction of a leverage ratio buffer for G-SIBs, which will take the form of a Tier 1 capital buffer set at 50% of a G-SIB’s risk-weighted capital buffer. The reforms also introduced an aggregate output floor, which will ensure that banks’ RWAs generated by internal models used in the IRB Approach are no lower than 72.5% of RWAs as calculated by the Basel III framework’s standardised approaches. On 27 October 2021, the European Commission published its proposals on the legislative amendments required to implement the Basel IV reforms. The Basel IV reforms were previously scheduled to be implemented by 1 January 2023, however the European Commission has announced a revised implementation date of 1 January 2025, with the output floor to be implemented on a phased basis over a period of 5 years.

In Australia, APRA has implemented prudential standards, practice guides and reporting requirements to give effect to these reforms. The current 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 2023 in the case of APS 120 and 1 January 2018 in the case of APG 120. This release represents 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. APRA published some frequently asked questions (**FAQs**) to provide guidance for authorised deposit-taking institutions (**ADIs**) on the interpretation of APS 120 in September 2021. The FAQs are relevant to originating ADIs and ADIs that hold securitisation exposures. They arise from APRA’s prudential supervision in relation to securitisation and queries that had arisen in the

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preceding 12-24 months as a result of such action. Additionally, in APRA's July 2022 "Response to Submissions", APRA noted that they would also be releasing other amendments arising from capital reforms, which cross-reference APS 120 (these are reflected in a 27 February 2023 version of the Standard). As part of this release, APRA also made changes to relevant reporting standards to reflect the consequential amendments, including to Reporting Standard ARS 120.1 Securitisation - Regulatory Capital and Reporting Standard ARS 120.2 Securitisation - Supplementary Items.

The changes approved by the Basel Committee and the revised APS 120 and APG 120 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 WST programme or the Notes, or on the regulation of the Trust, Westpac or any member of the Westpac 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.

### 3.40 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.



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## **3.41 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 selling 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 a Noteholder receives.

## **3.42 System Limits and Data Integrity**

The Housing Loans have been selected on the basis of the information available to Westpac as at the Cut-Off Date. There may be systems and/or data limitations which may impact the ability for Westpac to conclusively exclude all receivables which may be impacted by certain known or potential issues (such as a receivable being originated in a manner not consistent with Westpac's policies) from the Housing Loans.

In addition, the data is subject to human error, and while there are quality assurance processes in place, some data may not be correct in all cases. Accordingly, there is no assurance that all Housing Loans will be found to be free of known or potential issues in relation to their data.

However, nothing in this disclosure qualifies Westpac's representations, including that each Housing Loan meets the Eligibility Criteria as at the Cut-Off Date.

## **3.43 European Risk Retention and Due Diligence Requirements**

The EU Securitisation Regulation Rules began to apply across the EU to any securitisations in respect of which the relevant securities are issued from 1 January 2019.

The EU Securitisation Regulation Rules implement the revised securitisation framework developed by the Basel Committee, as well as risk retention and transparency requirements (imposed variously on the issuer, originator, sponsor and/or original lender of a securitisation, where such entity is an EU Issuing Entity (as defined below)) and due diligence requirements (imposed on EU Institutional Investors) in a securitisation.

The EU Securitisation Regulation Rules impose certain requirements with respect to originators, original lenders, sponsors and SSPEs (as each such term is defined for

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purposes of the EU Securitisation Regulation) which are (i) supervised in the EU pursuant to specified EU financial services legislation, or (ii) established in the EU (each an **EU Issuing Entity**, and all such persons together, **EU Issuing Entities**) including:

- (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, EU competent authorities and (upon request) potential investors certain prescribed information in loan-level data (the **EU Transparency Requirements**); 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** and together with the EU Retention Requirement and the EU Transparency Requirements, the **EU Securitisation Requirements**).

Failure by an EU Issuing Entity to comply with any EU Securitisation Requirement applicable to it may result in a regulatory sanction and remedial measures being imposed on such EU Issuing Entity.

Although Westpac believes that it is not subject to the EU Credit-Granting Requirements, with reference to Article 9 of the EU Securitisation Regulation (as in effect and applicable on the Closing Date), Westpac represents in favour of the Trustee and any Dealer on the Closing Date, that it has granted all the credits giving rise to the Housing Loans to be acquired by the Trustee on the basis of sound and well-defined criteria and clearly established processes for approving and, where relevant, amending, renewing and financing those credits and it has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness. Information about the origination and servicing procedures of Westpac in connection with the approval, amendment, renewing and financing of credits giving rise to the Housing Loans to be included in the Trust is set out in section 5 and section 9.4.

Westpac is not an EU Issuing Entity.

The EU Securitisation Regulation Rules provide that an entity shall not be considered an originator (as defined for purposes of the EU Securitisation Regulation) if it has been established or operates for the sole purpose of securitising exposures. See section 5 of this Information Memorandum for information regarding Westpac, its business and activities.

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## ***EU Retention Requirement***

As contemplated by the EU Retention Requirement as at the Closing Date, Westpac undertakes that it will retain, on an ongoing basis, a material net economic interest of not less than 5% of the nominal value in the securitisation (the ***EU Retention***). As at the Closing Date such net economic interest will be comprised of Westpac holding an interest of not less than 5% of the first loss tranche (being of the Class B Notes) of the securitisation in accordance with Article 6(3)(d) of the EU Securitisation Regulation.

Westpac undertakes (in each case with reference to the EU Securitisation Regulation Rules as in effect and applicable on the Closing Date):

- (a) not to change the manner or form in which it retains the EU Retention, except as permitted by the EU Securitisation Regulation Rules;
- (b) not to utilise or enter into any credit risk mitigation techniques, short position or any other hedge against the credit risk of the EU Retention held by it, except as permitted by the EU Securitisation Regulation Rules; and
- (c) to confirm or cause to be confirmed the status of its compliance with paragraphs (a) and (b) above (in each periodic report provided to Noteholders).

## ***EU Investor Requirements***

Article 5 of the EU Securitisation Regulation, places certain conditions (the ***EU Investor Requirements***) on investments in securitisations by EU Institutional Investors (as defined in Section 1.17). The EU Investor Requirements are applicable regardless of whether there is an EU Issuing Entity party to the relevant securitisation.

Prior to investing in (or otherwise holding an exposure to) a securitisation, an EU Institutional Investor (other than the originator, sponsor or original lender) must, among other things verify that the originator or the original lender of the underlying exposures of the securitisation is in compliance with the EU Securitisation Requirements. If any EU Institutional Investor fails to comply with the EU Investor Requirements, it may be subject (where applicable) to an additional 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.

The Commission Delegated Regulation (EU) 2020/1224 supplementing the EU Securitisation Regulation with regard to regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE (the ***Disclosure RTS***) and the Commission Implementing Regulation (EU) 2020/1225 laying down implementing technical standards with regard to the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE (the ***Disclosure ITS***) were both published on 3 September 2020 and each entered into force on 23 September 2020. Any EU Institutional Investor should consider the requirements under the Disclosure RTS and the Disclosure ITS in verifying whether the EU Transparency Requirements have been complied with.

The EU Securitisation Regulation provides for certain aspects of the EU Transaction Requirements to be further specified in regulatory technical standards and implementing

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technical standards to be adopted by the European Commission as delegated regulations. In respect of Article 6 of the EU Securitisation Regulation, the EBA published draft regulatory technical standards dated 1 April 2022 and, on 7 July 2023, the European Commission adopted such draft without material amendments (the “**Final Draft RTS**”) and then finalised (without material changes) as Commission Delegated Regulation (EU) 2023/2175 (the “**EU Recast Risk Retention RTS**”). The final text of the EU Recast Risk Retention RTS is set out in Commission Delegated Regulation (EU) 2023/2175 which entered into force on 7 November 2023 and 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 Affected 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. It is unclear whether any amendments to the EU Securitisation Regulation which reflect this interpretative guidance will be adopted. In addition, the European Commission proposed to amend the EU Disclosure Technical Standards in order to introduce new simplified reporting templates for private securitisations to make it easier for issuers from third countries to provide the required information for the purposes of the EU Transaction Requirements. The content of such new reporting templates and the timing of when they will be introduced and become applicable is unclear at this stage. On 21 December 2023, the European Securities and Markets Authority issued a consultation

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paper on the reporting templates under Article 7 of the EU Securitisation Regulation. The deadline for comments on the consultation paper is 15 March 2024.

## ***Investors to seek independent advice***

Notwithstanding that Westpac is not an EU Issuing Entity, subject to the conditions below, Westpac:

- (a)
  - (i) undertakes prior to the Payment Date in September 2024, to use reasonable endeavours (in such format and scope as Westpac may determine from time to time); and
  - (ii) intends from the Payment Date in September 2024, in such format as prescribed by the EU Securitisation Regulation Rules as in effect and applicable on the Closing Date, to make available (or procure that the Trust Manager makes available) (x) to Noteholders and (y) upon request, to potential investors:
    - (A) with reference to Article 7(1)(a) of the EU Securitisation Regulation (as in effect and applicable on the Closing Date), loan-level data in relation to the Housing Loans held by the Trustee (at least on a quarterly basis); and
    - (B) with reference to Article 7(1)(e) of the EU Securitisation Regulation (as in effect and applicable on the Closing Date), investor reports (at least on a quarterly basis),in each case, at the latest one month after the end of the period in respect of which the relevant report covers; and
- (b) undertakes from the Closing Date to make available (or to procure that the Trust Manager makes available) (x) to Noteholders and (y) upon request, to potential investors, in such format as determined by Westpac from time to time:
  - (i) all documentation required to be provided by an originator subject to Article 7(1)(b) of the EU Securitisation Regulation (as in effect and applicable on the Closing Date), including the Transaction Documents and this Information Memorandum, on the terms set out in section 13; and
  - (ii) with reference to Article 7(1)(g) of the EU Securitisation Regulation (as in effect and applicable on the Closing Date), 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;

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(C) a change in the risk characteristics of the securitisation or of the Housing Loans held by the Trustee that can materially impact the performance of the securitisation; and

(D) any material amendment to the Transaction Document.

The information referred to in this sub-paragraph (ii) will be made available without delay,

collectively, the **Reporting Undertaking**.

The conditions referred to in the first paragraph above are that:

- (1) such Noteholder or potential investor has agreed to confidentiality arrangements with respect to such information on terms acceptable to Westpac and the Trust Manager (as applicable); and
- (2) Westpac will not be obliged to make available any information or documents in accordance with paragraphs (a) and (b) above if, at the relevant time, the EU Securitisation Regulation Rules provide that, in any transaction in which the originator, sponsor and SSPE are established outside the EU, EU Affected Investors are not required by Article 5(1)(e) of the EU Securitisation Regulation (or otherwise) to verify that the originator, sponsor or SSPE, which is not established in the EU, has made available the information required by Article 7 of the EU Securitisation Regulation. As at the date of this Information Memorandum, the EU Securitisation Regulation Rules include no such provision.

Prospective investors and Noteholders should be aware that if any portfolio report or quarterly investor report provided pursuant to paragraph (a) above does not comply with the requirements prescribed in the EU Securitisation Regulation or the EU Disclosure Technical Standards, an EU Affected Investor may be unable to satisfy the EU Investor Requirements in respect of such report.

With reference to Article 7(2) of the EU Securitisation Regulation (as in effect and applicable on the Closing Date), to the extent required, Westpac as the originator agrees to be designated as the entity required to provide the information referred to in Article 7(1) of the EU Securitisation Regulation (as in effect and applicable on the Closing Date), only in the manner described in this Information Memorandum. For the avoidance of doubt, the second and fourth subparagraphs of Article 7(2) of the EU Securitisation Regulation (as in effect and applicable on the Closing Date) do not apply to this securitisation transaction.

Westpac may from time to time (including upon request by a Noteholder, subject to the Noteholder entering into confidentiality arrangements with respect to such information on terms acceptable to Westpac and the Trust Manager (as applicable)), at its sole discretion, make available (or procure that the Trust Manager makes available) to Noteholders any additional information necessary for Noteholders that are EU Institutional Investors to comply with the EU Investor Requirements. However, there can be no assurance that Westpac will do so, and further, Westpac may be unable to make all such information available to Noteholders for a number of reasons, including but not limited to where the information required is peculiar to the EU and is not information that is typically available in the Australian mortgage market or there are restrictions on disclosing some of the data. In

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addition, even where Westpac has decided to make information available, Westpac may not be able to do so in a timely fashion, for example as a result of internal resource constraints.

None of the Trust Manager, the Trustee, the Security Trustee, Westpac nor any other person: (i) makes any representation that the information described above or in this Information Memorandum is sufficient in all circumstances for such purpose; (ii) accepts any liability to any prospective investor or any other person for any insufficiency in respect of such information or any failure of the transaction contemplated herein to comply with or otherwise satisfy the requirements of the provisions of the EU 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 investor to enable compliance by that investor with the EU Investor Requirements or any other applicable legal, regulatory or other requirements.

Each EU Institutional Investor should consult with their own legal and regulatory advisors to determine whether, and to what extent, the information described above and in the Information Memorandum is sufficient for compliance by that EU Institutional Investor with any applicable provisions of the EU Securitisation Regulation. Any failure to comply with the provisions of the EU Securitisation Regulation may, amongst other things, have a negative impact on the value and liquidity of the Notes, and otherwise affect the secondary market for the Notes. In addition, if an EU Institutional Investor fails to comply with the EU Investor Requirements, it may be subject (where applicable) to an additional 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.

Prospective investors should make their own independent investigation and seek their own independent advice as to (1) the requirements of the provisions of the EU Securitisation Regulation (and any technical standards which have been passed or are to be passed in respect of them, including without limitation the Disclosure RTS and the Disclosure ITS); (2) the regulatory capital treatment of their investment (or the liquidity of such investment as a result thereof); and (3) the sufficiency of the information described above and in this Information Memorandum generally for the purposes of complying with the provisions of the EU Securitisation Regulation (now and at any time in the future) and none of the Trust Manager, the Trustee, the Security Trustee, Westpac nor any other person: (i) makes any representation that the information described above or in the Information Memorandum is sufficient in all circumstances for such purpose; or (ii) accepts any liability to any prospective investor or any other person for any insufficiency in respect of such information or any failure of the transaction contemplated herein to comply with or otherwise satisfy the requirements of the provisions of the EU Securitisation Regulation or any other applicable legal, regulatory or other requirements.

## **3.44 UK Risk Retention and Due Diligence Requirements**

The UK Securitisation Regulation Rules apply in the UK to any securitisations in respect of which the relevant securities are issued from 1 January 2021.

Like the EU Securitisation Regulation Rules, the UK Securitisation Regulation Rules include risk retention and transparency requirements (imposed variously on the issuer,

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originator, sponsor and/or original lender of a securitisation, where such entity is a UK Issuing Entity (as defined below)) and due diligence requirements (imposed on UK Institutional Investors) in a securitisation.

The UK Retention Rules apply to securitisations in respect of which the relevant securities are issued on or after 1 January 2021.

The UK Securitisation Regulation Rules impose certain requirements with respect to originators, original lenders, sponsors and SSPEs (as each such term is defined for purposes of the UK Securitisation Regulation) which are (i) supervised in the UK pursuant to specified UK financial services legislation, or (ii) established in the UK (each a **UK Issuing Entity**, and all such persons together, **UK Issuing Entities**) including:

- (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 UK competent authority and (upon request) potential investors certain prescribed information in loan-level data (the **UK Transparency Requirements**); 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** and together with the UK Retention Requirement and the UK Transparency Requirements, the **UK Securitisation Requirements**).

Failure by a UK Issuing Entity to comply with any UK Securitisation Requirement applicable to it may result in a regulatory sanction and remedial measures being imposed on such UK Issuing Entity.

The UK Securitisation Regulation regime is currently subject to legislative reforms under the "Edinburgh Reforms" of UK financial services unveiled on 9 December 2022 and the UK post-Brexit move to "A Smarter Regulatory Framework for Financial Services". Such legislative reforms will be effected through a combination of a statutory instrument made under the Financial Services and Markets Act 2023 (a near-final draft of which was laid before Parliament on 11 July 2023) to be known as the Securitisation Regulation 2023, amendments to the PRA Rulebook to, amongst other things, introduce a new section on securitisation, in relation to which a consultation (CP15/23) was published by the Prudential Regulation Authority (the "**PRA**") on 27 July 2023 (the "**PRA Consultation**"), and a set of rules to be implemented by the Financial Conduct Authority (the "**FCA**") into the FCA



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Handbook (such rules to be known as the Securitisation Sourcebook), in relation to which a consultation (FCA CP23/17) was published by the FCA on 7 August 2023 (the “**FCA Consultation**”). Each of the PRA Consultation and the FCA Consultation closed on 30 October 2023 and it is unlikely that the new regime in the UK will be in force before April 2024.

Although Westpac believes that it is not subject to the UK Credit-Granting Requirements, with reference to Article 9 of the UK Securitisation Regulation (as in effect and applicable on the Closing Date), Westpac represents in favour of the Trustee and any Dealer on the Closing Date, that it has granted all the credits giving rise to the Housing Loans to be acquired by the Trustee on the basis of sound and well-defined criteria and clearly established processes for approving and, where relevant, amending, renewing and financing those credits and it has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor’s creditworthiness. Information about the origination and servicing procedures of Westpac in connection with the approval, amendment, renewing and financing of credits giving rise to the Housing Loans to be included in the Trust is set out in section 5 and section 9.4.

Westpac is not a UK Issuing Entity.

The UK Securitisation Regulation Rules provide that an entity shall not be considered an originator (as defined for purposes of the UK Securitisation Regulation) if it has been established or operates for the sole purpose of securitising exposures. See section 5 of this Information Memorandum for information regarding Westpac, its business and activities.

## **UK Retention Requirement**

As contemplated by the UK Retention Requirement as at the Closing Date, Westpac undertakes that it will retain, on an ongoing basis, a material net economic interest of not less than 5% of the nominal value in the securitisation (the **UK Retention**). As at the Closing Date such net economic interest will be comprised of Westpac holding an interest of not less than 5% of the first loss tranche (being of the Class B Notes) of the securitisation in accordance with Article 6(3)(d) of the UK Securitisation Regulation.

Westpac undertakes (in each case with reference to the UK Securitisation Regulation Rules as in effect and applicable on the Closing Date):

- (a) not to change the manner or form in which it retains the UK Retention, except as permitted by the UK Securitisation Regulation Rules;
- (b) not to utilise or enter into any credit risk mitigation techniques, short position or any other hedge against the credit risk of the UK Retention held by it, except as permitted by the UK Securitisation Regulation Rules; and
- (c) to confirm or cause to be confirmed the status of its compliance with paragraphs (a) and (b) above (in each periodic report provided to Noteholders).

## **UK Investor Requirements**

Article 5 of the UK Securitisation Regulation, places certain conditions (the **UK Investor Requirements**) on investments in securitisations by UK Institutional Investors (as defined

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in Section 1.18). The UK Investor Requirements are applicable regardless of whether there is a UK Issuing Entity party to the relevant securitisation, and in particular, certain of the UK Investor Requirements in relation to disclosure of information by the originator, sponsor or SSPE apply where such entities are established in a third country.

Prior to investing in (or otherwise holding an exposure to) a securitisation, a UK Institutional Investor (other than the originator, sponsor or original lender) must, among other things verify that the originator or the original lender of the underlying exposures of the securitisation is in compliance with the UK Securitisation Requirements. If any UK Institutional Investor fails to comply with the UK Investor Requirements, it may be subject (where applicable) to an additional 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.

In this regard, the Disclosure ITS and the Disclosure RTS also form part of the domestic law of the UK, subject to certain amendments as specified by the UK Financial Conduct Authority in the Technical Standards (Specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE) (EU Exit) Instrument 2020) (as amended, the **UK Disclosure ITS and UK Disclosure RTS**). Any UK Institutional Investor should consider the requirements under the UK Disclosure RTS and the UK Disclosure ITS in verifying whether the UK Transparency Requirements have been complied with.

### ***Investors to seek independent advice***

Notwithstanding that Westpac is not a UK Issuing Entity, Westpac has made the Reporting Undertaking (as described in section 3.43 above).

Westpac may from time to time (including upon request by a Noteholder, subject to the Noteholder entering into confidentiality arrangements with respect to such information on terms acceptable to Westpac and the Trust Manager (as applicable)), at its sole discretion, make available (or procure that the Trust Manager makes available) to Noteholders any additional information necessary for Noteholders that are UK Institutional Investors to comply with the UK Investor Requirements. However, there can be no assurance that Westpac will do so, and further, Westpac may be unable to make all such information available to Noteholders for a number of reasons, including but not limited to where the information required is peculiar to the UK and is not information that is typically available in the Australian mortgage market or there are restrictions on disclosing some of the data. In addition, even where Westpac has decided to make information available, Westpac may not be able to do so in a timely fashion, for example as a result of internal resource constraints.

None of the Trust Manager, the Trustee, the Security Trustee, Westpac nor any other person: (i) makes any representation that the information described above or in this Information Memorandum is sufficient in all circumstances for such purpose; (ii) accepts any liability to any prospective investor or any other person for any insufficiency in respect of such information or any failure of the transaction contemplated herein to comply with or otherwise satisfy the requirements of the provisions of the UK Securitisation Regulation or any other applicable legal, regulatory or other requirements; or (iii) has any obligation to

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provide any further information or take any other steps that may be required by any investor to enable compliance by that investor with the UK Investor Requirements or any other applicable legal, regulatory or other requirements.

Each UK Institutional Investor should consult with their own legal and regulatory advisors to determine whether, and to what extent, the information described above and in the Information Memorandum is sufficient for compliance by that UK Institutional Investor with any applicable provisions of the UK Securitisation Regulation. Any failure to comply with the provisions of the UK Securitisation Regulation may, amongst other things, have a negative impact on the value and liquidity of the Notes, and otherwise affect the secondary market for the Notes. In addition, if a UK Institutional Investor fails to comply with the UK Investor Requirements, it may be subject (where applicable) to an additional 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.

Prospective investors should make their own independent investigation and seek their own independent advice as to (1) the requirements of the provisions of the UK Securitisation Regulation (and any technical standards which have been passed or are to be passed in respect of them, including without limitation the UK Disclosure RTS and the UK Disclosure ITS); (2) the regulatory capital treatment of their investment (or the liquidity of such investment as a result thereof); and (3) the sufficiency of the information described above and in this Information Memorandum generally for the purposes of complying with the provisions of the UK Securitisation Regulation (now and at any time in the future) and none of the Trust Manager, the Trustee, the Security Trustee, Westpac nor any other person: (i) makes any representation that the information described above or in the Information Memorandum is sufficient in all circumstances for such purpose; or (ii) accepts any liability to any prospective investor or any other person for any insufficiency in respect of such information or any failure of the transaction contemplated herein to comply with or otherwise satisfy the requirements of the provisions of the UK Securitisation Regulation or any other applicable legal, regulatory or other requirements.

Prospective investors and Noteholders should be aware that neither Westpac nor any other party to the securitisation transaction described in this Information Memorandum (i) intends to take any action specifically for purposes of, or in connection with, any requirement of Article 7 of the UK Securitisation Regulation, or (ii) otherwise intends to make any information available to any person specifically for purposes of, or in connection with, any requirement of the UK Securitisation Regulation Rules; and (2) except as expressly described in this Information Memorandum with regard to the UK Retention and the UK Credit-Granting Requirements, neither Westpac nor any other party to the securitisation transaction described in this Information Memorandum (i) intends to take or refrain from taking any other action with regard to this transaction in a manner prescribed or contemplated by the UK Securitisation Regulation Rules, or to take any other action for purposes of, or in connection with, facilitating or enabling compliance by any person with

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any applicable UK Investor Requirements, or (ii) gives, or intends to give, any undertaking or representation with regard to any requirement of the UK Securitisation Regulation Rules.

## 3.45 Japanese Due Diligence and Risk Retention Rules

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 (JFSA Notice No. 19 of 2006, as amended) (the **Bank Capital Adequacy Notice**). The Bank Capital Adequacy Notice and other JFSA notices setting out the regulatory capital rules applicable to Japanese financial institutions (collectively, the **Notices**) provide 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 **Japanese Due Diligence and Risk Retention Rules**). The Japanese Due Diligence and Risk Retention Rules became applicable to Japanese financial institutions acquiring securitisation exposures after 31 March 2019.

The Japanese Due Diligence and Risk Retention Rules will apply to securitisation exposures held by Japanese financial institutions subject to the regulatory capital requirements, such as banks, bank holding companies, credit unions (*shinyo-kinko*), federations of credit unions (*shinyo-kinko-rengo-kai*), credit cooperatives (*shinyo-kyodo-kumiai*), federations of credit cooperatives (*shinyo-kyodo-kumiai-rengo-kai*), labour credit unions (*rodo-kinko*), federations of labour credit unions (*rodo-kinko-rengo-kai*), agricultural credit cooperatives (*nogyo-kyodo-kumiai*), federations of agricultural credit cooperatives (*nogyo-kyodo-kumiai-rengo-kai*), ultimate parent companies of large securities companies, the Norinchukin Bank and the Shoko Chukin Bank (collectively, **Japanese Affected Investors**).

Under the Japanese Due Diligence and Risk Retention Rules, a Japanese Affected Investor 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 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 (the **Japanese Risk Retention Requirements**); 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.

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The Notices provide 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 Japanese Risk Retention Requirements are satisfied.

Westpac, as originator for the purposes of the Japanese Due Diligence and Risk Retention Rules, intends to retain the Class B Notes, the most subordinated tranche, the amount of which is at least 5% of the exposure of the total underlying assets of this securitisation transaction. Any such retention by Westpac will be subject to any requirement of law and any events, actions or circumstances beyond Westpac's control.

Under its Q&As accompanying the Japanese Due Diligence and Risk Retention Rules, JFSA provides an example of retention of the credit risk in satisfaction of the Japanese Risk Retention 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 Westpac's holding of the Class B Notes complies with the Japanese Due Diligence and Risk Retention Rules. Failure by a Japanese Affected Investor to satisfy the Japanese Due Diligence and Risk Retention Rules will require it to hold a full capital charge against that securitisation exposure of the securitisation transaction which it has acquired after 31 March 2019.

Any failure to satisfy the Japanese Due Diligence and Risk Retention Rules may, amongst other things, have a negative impact on the value and liquidity of the Notes, and otherwise affect the secondary market for the Notes. Failure by the Japanese Affected Investor to satisfy the Japanese Due Diligence and Risk Retention Rules may occur if (amongst other things) insufficient exposure is held by Westpac. 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 Japanese Due Diligence and Risk Retention Rules or other regulatory or accounting changes.

Prospective investors should make their own independent investigation and seek their own independent advice (i) as to the applicability and scope of the Japanese Due Diligence and Risk Retention Rules; (ii) as to the sufficiency of the information described in this Information Memorandum and which may otherwise be made available to investors; and (iii) as to their compliance with Japanese Due Diligence and Risk Retention Rules in respect of the transactions contemplated by this Information Memorandum.

None of Westpac, whether as Approved Seller, Servicer, Swap Provider, Liquidity Facility Provider or Redraw Facility Provider, BNY Trust Company of Australia Limited, in its individual capacity and as Trustee, Westpac Securitisation Management Pty Limited, as Trust Manager, the Security Trustee nor any Dealer, or any other party to the Transaction Documents: (i) makes any representation that the performance of the retention 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 Japanese Affected Investor's compliance with the Japanese 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 Japanese Due Diligence and Risk Retention Rules or any other applicable legal, regulatory or other

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requirements, or (iii) has any obligation to provide any further information or take any other steps that may be required by any Japanese Affected Investor to enable compliance by such person with the requirements of the Japanese Due Diligence and Risk Retention Rules or any other applicable legal, regulatory or other requirements.

None of the Trustee or the Security Trustee has any responsibility to enforce compliance with the requirements of the Japanese 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 Japanese Due Diligence and Risk Retention Rules or other regulatory or accounting changes.

### **3.46 Effects of other regulatory measures**

In addition to the EU Securitisation Regulation and EU Securitisation Requirements described in section 3.43, the UK Securitisation Regulation and UK Securitisation Requirements described in section 3.44 and the Japanese Due Diligence and Risk Retention Rules described in section 3.45, there are other domestic and international measures for increased or revised regulation (including with respect to regulatory capital treatment) of mortgage-backed securities (such as the Notes) which are currently at various stages of implementation.

Such changes in the domestic or global financial regulation or regulatory treatment of mortgage-backed securities may have an adverse impact on the regulatory position of affected investors and consequently have an adverse impact on the value, liquidity and/or capital treatment of mortgage-backed securities such as the Notes for those affected investors. To the extent that such new or amended regulations require action by any person, or amendments to the terms of any Notes or Transaction Documents, there is no assurance or guarantee that Westpac (in any capacity), the Trust Manager, the Trustee or any other person will, or will be able to, comply with any such new or amended regulations. Prospective investors in the Notes should consult with their own legal and investment advisors regarding the potential impact on them and the related compliance issues of investing in, holding and trading in any Notes.

### **3.47 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 Treasury Laws Amendment (2017 Measures No. 5) Act 2018 of Australia amended the Corporations Act, to, among other things, establish a licensing regime for administrators of significant financial benchmarks (including the BBSW Rate) and enable ASIC to make rules relating to the generation and administration of such benchmark indices. On 6 June 2018 ASIC issued the ASIC Financial Benchmark (Administration) Rules 2018 (the **Administration Rules**) and the ASIC Financial Benchmark (Compelled) Rules 2018 (the **Compelled Rules**) pursuant to this power. These Administration Rules require, among other things, a person who is licensed to administer a regulated benchmark

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(a benchmark administrator licensee) to: (i) use a method for generating that benchmark that is designed to ensure the quality, integrity, availability, reliability and credibility of that benchmark; (ii) to act efficiently, honestly and fairly in generating and administering that benchmark; and (iii) to ensure that arrangements with persons who contribute data to the generation of benchmarks (**contributors**) meet certain criteria for these purposes. The Compelled Rules, among other things, allow ASIC to require a benchmark administrator licensee to continue to generate or administer a regulated benchmark and to require contributors to continue to provide data required for the generation of the relevant benchmark. Although the Compelled Rules and a number of the other Australian reforms have been designed to support the reliability and robustness of BBSW, it is not possible to predict with certainty whether, and to what extent, BBSW will continue to be supported or the extent to which related regulations, rules, practices or methodologies may be amended going forward. This may cause BBSW to perform differently than it has in the past, and may have other consequences which cannot be predicted. For example, it is possible that these changes could cause BBSW to cease to exist, to become commercially or practically unworkable, or to become more or less volatile or liquid. Any such changes could have a material adverse effect on the Notes.

On 27 June 2019, ASIC granted ASX Benchmarks Pty Limited a licence to administer the BBSW Rate from 1 July 2019 (replacing the Australian Financial Markets Association ("AFMA") as BBSW administrator) 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 and Basis Swap; (c) amounts of interest payable to the Liquidity Facility Provider by the Trustee under the Liquidity Facility Agreement; and (d) amounts of interest payable to the Redraw Facility Provider by the Trustee under the Redraw Facility Agreement. If BBSW is unavailable for these purposes, investors should be aware of the fallback rates mechanism for the Notes (as described further in this section) and that the fallback rates mechanism for the Interest Rate Swap, Basis Swap, Liquidity Facility Agreement and the Redraw Facility Agreement may not be the same as for the Notes. 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 are unknown and unknowable at this time. However, it is possible that such changes could cause such

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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.

In addition, the Reserve Bank of Australia (**RBA**), among others, has expressed the view that calculations of BBSW using 1-month tenors is not as robust as using tenors of 3-months or 6-months, and that Australian residential mortgage backed securitisation transactions (**RMBS**) should calculate BBSW on the basis of one of those longer tenors or should use another benchmark (such as the cash rate published by the RBA). If one of these alternative methods of calculating the benchmark for Australian RMBS becomes standard and there is a disparity between the method of calculating interest on the Notes (on the basis of BBSW with a 1-month tenor) and the then prevailing method of calculating interest on RMBS debt instruments, that could have a material adverse effect on the value and/or liquidity of the Notes.

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). Fallbacks that reference another benchmark interest rate may also be accepted, at the RBA's discretion; 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.

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.

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.

Where the original benchmark for the Notes is the BBSW Rate, the BBSW Rate Fallback Provisions distinguish between temporary and permanent triggers affecting the BBSW



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Rate. The Transaction Documents provide that if a Temporary Disruption Trigger occurs in respect of the BBSW Rate, the interest rate for any day on which that Temporary Disruption Trigger is continuing will be the interest rate determined in accordance with the Temporary Disruption Fallback which provides that, in the first instance, preference will be given to the Administrator Recommended Rate (which is a rate formally recommended for use as the replacement for the BBSW Rate by the Administrator). The second preference will be given to the Supervisor Recommended Rate (which is a rate formally recommended for use as the replacement for the BBSW Rate by the Supervisor). Finally, preference will be given to the Final Fallback Rate.

In the event that a Permanent Discontinuation Trigger occurs in respect of the BBSW Rate, the rate for any Interest Determination Date which occurs on or following the applicable Permanent Fallback Effective Date will be the Fallback Rate which is determined in accordance with the Permanent Discontinuation Fallback and which may be AONIA. Investors should be aware that whilst the BBSW Rate is based on a forward-looking basis and on observed bid and offer rates for Australian prime bank eligible securities (which rates may incorporate a premium for credit risk), AONIA is an overnight, risk free cash rate and will be applied to calculate interest by compounding observed rates in arrears and the application of a spread adjustment. There can be no assurance that AONIA as described above will produce the economic equivalent of the BBSW 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.

Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply.

No consent of the Noteholders shall be required in connection with effecting any successor rate, alternative rate or replacement benchmark, including for the Notes where the original benchmark is the BBSW Rate (as applicable). In addition, no consent of the Noteholders shall be required in connection with any other related adjustments and/or amendments to the terms and conditions of the Notes (or any other document) which are made in order to effect any successor rate, alternative rate or replacement benchmark (as applicable). Any such adjustment could have unexpected consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder.

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

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effective as made without any requirement for the consent or approval of Noteholders any other person.

None of Westpac, the Trust Manager, Trustee, the Security Trustee nor any of their related entities, 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. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by BBSW reforms and the potential for BBSW to be discontinued in making any investment decision with respect to any Notes.

None of the Trust Manager, the Trustee or the Security Trustee or any other party to the Transaction Documents has any liability to any Noteholder or any other secured creditor for either any determination of any Fallback Rate or the execution or application of any benchmark amendments.

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## 4. Details of the Notes

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### 4.1 General Description of the Notes

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

In the event of an enforcement under the Security Trust Deed, the obligations of the Trustee are secured by way of a first ranking security interest granted under the Security Trust Deed 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 10, including priorities that will apply if the Security Trust Deed is enforced.

The Notes are governed by the laws of New South Wales. The Transaction Documents are governed by the laws of New South Wales.

### 4.2 Coupon on the Class A Notes and Class B Notes

- (a) **(Coupon)** Each Note bears interest on its Invested Amount (however, no interest will accrue on any Note for the period after its Stated Amount is reduced to zero). The Invested Amount of a Note is equal to the Initial Invested Amount of that Note less all payments previously made on account of principal in respect of that Note.
- (b) A Coupon is payable monthly in arrear on each Note, to the person whose name is, on the Record Date, entered in the Register as the holder of the Note, until the Maturity Date or until the Stated Amount of the Note is reduced to zero (whichever is earlier). The first Payment Date for Coupons will be 21 March 2024. Each Note will bear floating rate interest at stipulated margins over the BBSW Rate (or any applicable Fallback Rate).
- (c) **(Calculation of Coupon)** Coupon is calculated on a Class of Note for each Coupon Period on a daily basis at the Coupon Rate applicable for that Class of Note for that Coupon Period:
  - (i) on the Invested Amount of that Note as at the first day of that Coupon Period; and
  - (ii) on the basis of the actual number of days in that Coupon Period and a year of 365 days.
- (d) **(Coupon Period)** The first Coupon Period in relation to the Notes commences on (and includes) the Closing Date and ends on (and includes) the day immediately before the first Payment Date.

Each succeeding Coupon Period, commences on (and includes) a Payment Date and ends on (and includes) the day immediately before the next Payment Date.

The final Coupon Period for a Note ends on (and excludes) the day on which that Note is redeemed in full in accordance with the Transaction Documents.

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- (e) **(Coupon Rate)** The Coupon Rate for each Coupon Period commencing before the Margin Step-Up Date on each Class of Note is the BBSW Rate (or any applicable Fallback Rate) determined on the relevant Interest Determination Date plus the Margin for that Class of Note.

In the case of the Class A Notes only, the Coupon Rate for each Coupon Period commencing on or after the Margin Step-Up Date, is the BBSW Rate (or any applicable Fallback Rate) determined on the relevant Interest Determination Date plus the Margin for the Class A Notes plus a percentage rate per annum equal to the Step-Up Margin for the Class A Notes.

The Margin for each Class of Note is as determined on the Pricing Date by agreement between the Lead Manager and the Trust Manager. The Margin for each Class of Note will be notified to the relevant Noteholders by the Lead Manager.

- (f) **(Coupon Payment)** If sufficient Total Available Funds are available, Coupon on each Class of Note will be payable on each Payment Date in arrear in respect of the Coupon Period ending on the day immediately before that Payment Date.

Total Available Funds available for the payment of Coupon on Notes on the Payment Date (after application of senior amounts (see section 7.7(a))) will be paid in the following order of priority:

- (i) to Class A Noteholders; and
- (ii) to Class B Noteholders.

The method for calculating Total Available Funds is set out in section 7.3 and the priority of payments out of Total Available Funds is set out in section 7.7.

Failure to pay Coupon on the most senior Class of Notes within 10 Business Days of the due date will be an Event of Default under the Security Trust Deed (see section 10.3(a)). The Events of Default and the remedies available to Noteholders are detailed in section 10.

## 4.3 Principal Repayments on the Notes

Principal Collections on a Payment Date will be allocated to Noteholders in the order of priority described in section 7.9(b).

No Noteholder will be entitled to receive aggregate principal on any Note in excess of the Invested Amount for that Note after taking into account reimbursement of charge-offs (if applicable) on the relevant Payment Date.

## 4.4 Maturity Date

Subject to the Trustee's limitation of liability, the Invested Amount of each Note is required to be repaid in full on or by the Maturity Date.

## 4.5 Date-Based Call Option

On any Payment Date on or after the Date-Based Call Option Date:

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- (a) the Trustee must, if so directed by the Trust Manager (at the Trust Manager's option), redeem all, but not some only, of the Class A Notes by repaying the Invested Amount, together with accrued interest to (but excluding) the date of redemption, on any Payment Date falling on or after the Date-Based Call Option Date (the **Relevant Payment Date**), provided that:
- (i) the Trust Manager has provided no less than 4 Business Days prior written notice to:
- (A) the Trustee;
  - (B) the Security Trustee;
  - (C) the Class A Noteholders and the Class B Noteholders;
  - (D) Westpac; and
  - (E) each Rating Agency,
- in accordance with the terms of the Series Notice and the Trust Deed, of the Trust Manager's intention to direct the Trustee to redeem the Class A Notes under this paragraph (a); and
- (ii) subject to paragraph (c), the Trustee has sufficient cash to make such repayment and to discharge all of the Trustee's liabilities in respect of amounts which are required under the Security Trust Deed to be paid in priority or equally with the Class A Notes being redeemed as if the security for the Notes were being enforced (after taking into account any amounts to be applied on the Relevant Payment Date in accordance with section 7). For this purpose, the Trustee may:
- (A) at the direction of the Trust Manager, and subject to a Rating Notification, issue on the Relevant Payment Date, to Westpac or as it directs, new Class A Notes with an aggregate Initial Invested Amount no less than the Invested Amount of the Class A Notes to be redeemed (taking into account any Principal Collections the Trust Manager determines will be available to be applied to redeem Class A Notes on the Relevant Payment Date prior to their redemption on the Relevant Payment Date) (the **New Class A Notes**); or
  - (B) any day in the 10 Business Days prior to that Payment Date, at the direction of the Trust Manager, dispose of any Housing Loan for an amount not less than the lesser of their Unpaid Balance or Fair Market Value; or
- (b) if Westpac has not received a notification under (a)(i), or believes that the Trust Manager will not give the Trustee a direction under paragraph (a), Westpac may (subject to paragraph (c)), purchase all (but not some only) of the Class A Notes from Class A Noteholders for their aggregate Invested Amount (after payment of principal and interest on the Class A Notes on that Payment Date). A purchase of Class A Notes under paragraph (b) will be effected by:

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- (i) Westpac paying the relevant purchase price to the Trustee on or by the applicable Payment Date;
- (ii) the Trust Manager directing the Trustee to pay the relevant purchase price to each Class A Noteholder as consideration for the transfer; and
- (iii) the Trust Manager directing the Trustee to transfer all Class A Notes to Westpac or as it directs.

No transfer of Class A Notes will occur unless:

- (iv) the Trust Manager, at the direction of Westpac, has provided no less than 3 Business Days prior written notice to:
  - (A) the Trustee;
  - (B) the Security Trustee; and
  - (C) the Class A Noteholders;

in accordance with the terms of the Series Notice and the Master Trust Deed, of Westpac's intention to purchase the Class A Notes under this sub-paragraph (b); and

- (v) Westpac pays the Trustee all amounts required under sub-paragraph (b)(i).
- (c) Class A Notes may be redeemed under sub-paragraph (a), or Westpac may purchase Class A Notes under sub-paragraph (b), (as applicable), at their Stated Amounts instead of at their Invested Amounts, together with accrued but unpaid interest to but excluding the date of redemption, if so approved by an Extraordinary Resolution of the Class A Noteholders.
- (d) Class A Notes will be purchased or redeemed in accordance with paragraph (a) or (b) notwithstanding that Class B Notes will not be purchased or redeemed at the same time.
- (e) If any New Class A Notes are issued under sub-paragraph (a)(ii)(A):
  - (i) the proceeds of issue of the New Class A Notes equal to their aggregate Initial Invested Amounts will be treated as Gross Principal Collections to be applied on the Relevant Payment Date (notwithstanding those amounts were not received in the Collection Period preceding the Relevant Payment Date);
  - (ii) if applicable, the proceeds of issue of the New Class A Notes equal to the aggregate of any premium paid for those New Class A Notes will be treated as Total Available Funds to be applied on the Relevant Payment Date (notwithstanding those amounts were not received in the Collection Period preceding the Relevant Payment Date);
  - (iii) payments of principal in respect of the Class A Notes to be redeemed on the Relevant Payment Date will be made in accordance with section 7.9(b);
  - (iv) the terms of the New Class A Notes issued under sub-paragraph (a)(ii)(A) as at their issuance will be as agreed between Westpac and the Trust Manager and notified to the Trustee, subject to a Rating Notification; and

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- (v) Westpac and the Trust Manager may (subject to a Rating Notification) agree the processes necessary to raise the relevant subscription amounts on or before the Relevant Payment Date and apply those amounts on the Relevant Payment Date (including Westpac holding relevant amounts in escrow, or the Trustee issuing the New Class A Notes prior to redemption of the then existing Class A Notes), and will have power to amend the Transaction Documents accordingly (subject to a Rating Notification and that the amendments are for the purpose of facilitating the redemption of Class A Notes on the Relevant Payment Date in accordance with this clause).
- (f) If any Housing Loans are disposed of under sub-paragraph (a)(ii)(B), the proceeds of disposal will be treated as relevant Collections to be applied on the Relevant Payment Date (notwithstanding those amounts were not received in the Collection Period preceding the Relevant Payment Date).
- (g) Redemption of Class A Notes in accordance with this section 4.5 shall be in full satisfaction of the Trustee's obligations under the Class A Notes.

## 4.6 Clean-Up Call Option

- (a) The Trustee must, when so directed by the Trust Manager (at the Trust Manager's option) on or before the date which is three Business Days before any Payment Date falling on or after the Clean-Up Call Option Date, redeem all, but not some only of the Notes or a Class of Notes on that Payment Date by repaying the Invested Amount, or, if all the Noteholders or Class of Noteholders (as the case may be) so agree, the Stated Amount, of those Notes or Class of Notes, together with accrued interest to (but excluding) the date of redemption, provided that:
  - (i) the Trust Manager has provided no less than three Business Days prior written notice to:
    - (A) the Security Trustee;
    - (B) the Class A Noteholders and the Class B Noteholders in the case of redemption of the Class A Notes and the Class B Notes; and
    - (C) each Rating Agency,of the Trust Manager's intention to direct the Trustee to redeem the Notes or Class of Notes as described in this section 4.6;
  - (ii) the Trustee has sufficient cash to make such repayment and discharge all its liabilities in respect of amounts which are required under the Security Trust Deed to be paid in priority or equally with each relevant Class of Notes being redeemed as if the security for the Notes were being enforced. The Trustee may:
    - (A) at the direction of the Trust Manager, dispose of any Housing Loans for an amount not less than the lesser of their Unpaid Balance or Fair Market Value in order to raise such cash; and

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- (B) rely conclusively on a certificate from the Trust Manager as to the amount of the repayment and other payments referred to above;
  - (iii) the Trustee retains such amount as the Trust Manager reasonably determines will be necessary to satisfy any outstanding or anticipated Expenses, payment under the Liquidity Facility, payment under the Redraw Facility or payment to any Swap Provider under a Hedge Agreement.
- (b) Repayment and redemption of Class A Notes or Class B Notes in accordance with this section 4.6 (as the case may be) shall be in full satisfaction of the Trustee's obligations under the relevant Notes.
- (c) The Trustee may redeem Notes of a Class at their Stated Amounts instead of at their Invested Amounts, together with accrued but unpaid interest to but excluding the date of redemption, if so approved by an Extraordinary Resolution of the relevant Noteholders. However, the Trustee will not redeem any Notes unless it is in a position on the relevant Payment Date to repay the then Invested Amounts or the Stated Amounts, as required, of the Notes together with all accrued but unpaid interest to but excluding the date of redemption and to discharge all its liabilities in respect of amounts which are required under the Security Trust Deed to be paid in priority to or equally with the Notes as if the security interest granted under the Security Trust Deed in respect of the Trust were enforced.
- (d) The Trust Manager may direct the Trustee to, and on that direction the Trustee shall, redeem Class A Notes in accordance with paragraph (a) notwithstanding that Class B Notes may not be redeemed at the same time (or at all).

## 4.7 Redemption for Tax Event

If the Trust Manager notifies the Trustee that in its opinion (based on such advice it deems necessary) either:

- (a) on the next Payment Date the Trustee would be required to deduct or withhold from any payment of principal or interest in respect of any Class of the Notes any amount for or on account of any present or future Taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Commonwealth of Australia or any of its political sub-divisions or any of its authorities; or
- (b) the total amount payable in respect of interest in relation to any of the Housing Loans for a Collection Period ceases to be receivable (whether or not actually received) by the Trustee during such Collection Period (but, for the avoidance of doubt, this paragraph does not apply to the failure by the Trustee to receive any interest on any Housing Loans merely by reason of the failure by the relevant Borrowers to pay that interest in breach of the relevant Loan),

the Trustee must, when so directed by the Trust Manager, at the Trust Manager's option (provided that the Trustee will be in a position on such Payment Date to discharge (and the Trust Manager will so certify to the Trustee) all its liabilities in respect of that Class of Notes and any amounts required under the Security Trust Deed to be paid in priority or *pari passu* with those Notes as if the security for the Notes were being enforced), having given not



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more than 60 nor less than 10 days' notice to the Noteholders of those Notes (and all other Noteholders whose Notes are to be redeemed at the same time), redeem all, but not some only, of those Notes at their Invested Amount (or, if the relevant Noteholders have so agreed by Extraordinary Resolution, at their Stated Amount) together with accrued interest to (but excluding) the date of redemption on any subsequent Payment Date, provided that the relevant Noteholders may by Extraordinary Resolution elect, and shall notify the Trustee and the Trust Manager in writing, that they do not require the Trustee to redeem the relevant Notes.

## 4.8 Final Redemption

Each Note shall be redeemed in full, and the obligations of the Trustee with respect to the payment of the Invested Amount of that Note shall be finally discharged, on the first to occur of:

- (a) the date upon which the Invested Amount of that Note is reduced to zero;
- (b) if the Stated Amount is less than the Invested Amount, the date on which the Stated Amount of that Note is reduced to zero and the Trust Manager determines there are insufficient assets to reimburse that Note;
- (c) the date upon which the relevant Noteholder renounces all of its rights to any amounts payable under or in respect of that Note; and
- (d) the Payment Date immediately following the date on which the Trustee completes a sale and realisation of all assets of the Trust in accordance with the Trust Deed or the Series Notice.

## 4.9 Rounding-down of Coupon and Principal Payments

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

## 4.10 Method of Payment

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

- (a) crossed "not negotiable" cheque in favour of the Noteholder despatched by post to the address of the Noteholder shown in the Register on the Record Date;
- (b) electronic transfer through Austraclear;
- (c) direct transfer to a designated account of the Noteholder held with a bank or other financial institution in Australia; or
- (d) any other manner specified by the Noteholder and agreed to by the Trust Manager and the Trustee.

## 4.11 Register of Noteholders

The Trustee will maintain a register of Noteholders (the **Register**) at its offices at Level 2, 1 Bligh Street, Sydney NSW 2000. The register will include the names and addresses of the Noteholders, the Invested Amount and Stated Amount of each Note or Class of Notes from time to time, a record of each payment made in respect of the Notes and such other information as the Trustee or the Trust Manager reasonably requires.

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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 all Notes, each period from the close of business (Sydney time) on the Business Day preceding each Payment Date 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 Noteholders, close the Register for other periods not exceeding 30 days (or, subject to the Corporations Act, 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, principal and Coupon will be paid to those Noteholders 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, or as required by law.

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

Persons acquiring beneficial ownership interests in the Notes will hold interest in the relevant Notes through Austraclear as described in section 4.16.

## **4.12 Note Acknowledgment**

When a person has been entered in the Register as the Noteholder, as soon as practicable (and in any event no later than five Business Days) thereafter, the Trustee shall issue a Note Acknowledgment to that person in respect of those Notes. If the person has been entered into the Register under a Note Transfer and Acceptance Form 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.

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

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Acknowledgment. An entry as to the issue of the new Note Acknowledgment and of the indemnity (if any) will be made in the Register. A fee prescribed by the Trustee (not exceeding A\$10) is required to be paid to the Trustee by the person requesting the new Note Acknowledgment.

## 4.13 Note Transfers

Interests in Notes held in the Austraclear System may only be transferred in accordance with the rules and regulations of the Austraclear System. Notes not held in the Austraclear System must be transferred by sending a transfer form as described below.

A Noteholder must not transfer any Notes held by it unless:

- (a) where the Notes are traded on the ASX, they are traded in parcels with a minimum value of A\$500,000; and
- (b) if the transfer is in or from Australia:
  - (i) the amount payable for the Notes on transfer (whether on the ASX or elsewhere) by the transferee is a minimum amount of A\$500,000 (disregarding amounts, if any, lent by the Trustee or other person offering the Notes or an associate (as defined in the Corporations Act) of either of them); or
  - (ii) the offer or invitation to the transferee by the Noteholder otherwise does not require disclosure under Parts 6D.2 or 7.9 of the Corporations Act and the Corporations Regulations made under the Corporations Act; and
- (c) if the transfer is in or from Australia, the transfer is to a person who is not a retail client within the meaning of section 761 of the Corporations Act.

Notwithstanding the above, Notes to be transferred must have an aggregate transfer consideration of at least A\$100,000.

No Note has been or will be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and the Notes may not be offered, sold, delivered, transferred, encumbered or otherwise disposed of (directly or indirectly) within the United States or to, or for the account or benefit of, US persons except pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph and not otherwise defined have the meanings given to them by Regulation S under the Securities Act.

None of the Trustee, the Security Trustee, the Trust Manager, the Servicer or the Approved Seller is liable to any Noteholder in relation to a breach by that Noteholder of these restrictions.

Every transfer of Notes (other than interests in Notes transferred through the Austraclear System) shall be effected by a Note Transfer and Acceptance Form in the prescribed form (a **Note Transfer**). Copies of this form are available from the offices of the Trustee.

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.

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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 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 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 seven 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 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 Register is closed for any purpose, the Trustee shall not register the Note Transfer until the next Business Day on which the Register is reopened.

## **4.14 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.

## **4.15 Rights of Noteholders**

No Noteholder shall be entitled to:

- (a) an interest in any particular part of the Trust or asset comprised in the Trust;
- (b) require the transfer to it of any asset comprised in the Trust;
- (c) 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;
- (d) exercise any rights, powers or privileges in respect of any asset in the Trust;

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- (e) 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;
- (f) seek to wind up or terminate the Trust;
- (g) seek to remove the relevant Servicer, Trust Manager or Trustee;
- (h) interfere in any way with the Trust;
- (i) 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;
- (j) except where the Noteholder is Westpac, or the Trustee has otherwise consented, and subject to any provision of a Transaction Document which allows any such communication, negotiate or communicate in any way with any Borrower under any Housing 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;
- (k) 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
- (l) any recourse whatsoever to the Trustee or the Trust Manager in their personal capacity, except to the extent of any fraud, negligence, wilful misconduct (in the case of the Trustee only) or breach of duty on the part of the Trustee or the Trust Manager respectively.

## 4.16 Lodgement of the Notes in Austraclear

It is intended that the Notes will be lodged in Austraclear after the issue of the relevant Class on the Closing Date. It is also intended that those Notes will be lodged with Austraclear on the basis that they will not be uplifted.

Once the relevant Notes are lodged into the Austraclear system, Austraclear will become the registered holder of those Notes in the register to be maintained by the Trustee. While those Notes remain in the Austraclear system:

- (a) all payments and notices required of the Trustee and the Trust Manager in relation to those Notes will be made to Austraclear or as it directs;
- (b) all dealings and payments in relation to those Notes within the Austraclear system will be governed by the rules and regulations of the Austraclear System; and
- (c) interests in the Notes may be held through Euroclear Bank S.A./N.V. as operator of the Euroclear System (***Euroclear***) or Clearstream Banking S.A. (***Clearstream, Luxembourg***). In these circumstances, entitlements in respect of holdings of interests in the Notes in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while

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entitlements in respect of holdings of interests in the Notes in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of JP Morgan Chase Bank, N.A. 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 and their respective nominees and the rules and regulations of the Austraclear System. In addition, any transfer of interests in Notes which are held through Euroclear or Clearstream, Luxembourg will to the extent such transfer will be recorded in the Austraclear System and is in respect of offers or invitations received in Australia be subject to the Corporations Act and the other requirements and restrictions set out in the Notes.

## **4.17 Notices to Noteholders**

A notice, request or other communication by the Trustee, the Trust Manager or the 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, or email to the email address of the Noteholder as shown in the Register. Any notice so mailed or emailed shall be conclusively presumed to have been duly given whether or not the Noteholder actually receives the notice;
- (c) if the relevant Notes are listed on the ASX, by publication on the ASX;
- (d) notification through Austraclear; or
- (e) publishing a notice on the website [www.westpac.com.au/about-westpac/investor-centre/fixed-income-investors](http://www.westpac.com.au/about-westpac/investor-centre/fixed-income-investors), or such other website as it may notify the Noteholders from time to time.

## **4.18 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 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.

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## 5. Westpac and its housing loan business

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### 5.1 Background to Westpac

Westpac provides a broad range of financial products and services in its core markets of Australia and New Zealand.

Westpac is Australia's first bank and oldest company. Established in 1817, as the Bank of New South Wales under a charter of incorporation signed by Governor Lachlan Macquarie, the company expanded across Australia, New Zealand and the Pacific. In 1982, the company changed its name to Westpac.

In recent years, Westpac has become a simpler bank, sharpening its focus on banking for Australian and New Zealand consumer, business and institutional customers. Westpac provides products and services through its four divisions: Consumer, Business and Wealth, Westpac Institutional Bank and Westpac New Zealand.

As at 30 September 2023, Westpac had total assets of A\$1,029.77 billion. Westpac's ordinary shares and certain other securities are quoted on ASX and, as at 30 September 2023, Westpac's ordinary share market capitalisation was approximately A\$74.22 billion.

### 5.2 Origination of Housing Loans

The Housing Loans to be included in the assets of the Trust will be originated or purchased by Westpac in the ordinary course of its business under the "Westpac" brand. Westpac sources its housing loans through its branch network, mobile finance managers, accredited brokers, national telemarketing centres, referrers and through the internet. Advertising and direct mail campaigns also generate inquiries that develop into originations.

### 5.3 Approval and Underwriting Process

The following is a description of the underwriting processes employed by Westpac in evaluating whether to fund a particular housing loan application.

All housing loan applications, including the applications relating to the Housing Loans, must satisfy Westpac's residential housing loan credit policy and procedures described in this section 5.3. Each housing loan application is considered on its merits.

Westpac, like many other lenders in the Australian residential housing loan market, does not divide its borrowers into groups of differing credit quality for the purpose of setting base standard interest rates for its residential housing loans. In August 2019, Westpac commenced an interest rate discounting policy whereby new loans with a lower LVR are provided with larger package rate discounts than loans with higher LVRs. In October 2022, Westpac also introduced a further premium on interest rates for higher LVR loans.

Westpac assesses the credit of each loan applicant initially through its centrally controlled credit decision making system. This system is based on proprietary information, such as Westpac's own historical credit underwriting standards and credit underwriting rules and includes an application scorecard. Assessment also takes into account details of the applicant's personal financial circumstances obtained at point of application from the applicant and selectively verified as well as the information obtained from credit checks done through independent credit reporting agencies.

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Housing loan applications are either approved, declined or referred to a credit specialist. Housing loan applications are generally referred to a credit specialist for assessment if they are complex or for reassessment if they have been declined because of failure to meet the initial underwriting standards (including responsible lending standards).

Applications referred to a credit specialist are assessed according to Westpac's credit policy and the specialist's credit approval limits. Staff with credit approval limits include:

- (a) credit officers;
- (b) accredited bank managers and home finance managers; or
- (c) officers at state-based credit centres.

The value of the proposed security property and confirmation of the ability of the applicant to make payments on the housing loan are central to the approval process. The accuracy and correctness of the information provided by the applicant is verified, particularly documentation provided by the applicant, through the financial situation verification process, which includes: income documentation verification, serviceability assessment, credit bureau enquiry and check, commitment assessment and checking for undisclosed liabilities. Income of self-employed applicants is verified generally by checking financial statements, taxation returns and ATO notices of assessment. Westpac typically requires that all loan applicants satisfy a minimum disposable income level after deducting all commitments, including allowances for living expenses and the proposed housing loan and an allowance for interest rate increases.

An appraisal of the proposed security property is obtained according to Westpac's valuation policy. This policy has been tailored to target areas of higher risk associated with a geographical area, security type or a combination of factors relating to the nature of the application. Depending on the circumstances and subject to conditions being met, Westpac's valuation policy permits the market value of a property to be assessed by way of:

- (a) an external valuation provided by an independent valuer who is typically registered, a member of the Australian Property Institute and included on Westpac approved panel of valuers (a "**Full Valuation**"). A Full Valuation generally includes an internal inspection of the property;
- (b) a contract of sale (where the purpose of the loan is for the purchase of the property);
- (c) or a customer's estimate.

Where a customer's estimate has been used, Westpac will validate the valuation by way of an Electronic Assessment (which is a statistical validation of the property's estimated value) or Desktop Assessment Report (a panel valuer's assessment using a range of property specific data and imagery, but will not include an inspection of the property). If an Electronic Assessment or Desktop Assessment Report is not available, or the value provided is outside of Approved Tolerance Levels (currently being that the value provided by the Electronic Assessment or Desktop Assessment Report cannot be more than 10 per cent or A\$50,000 less than the value obtained from the customer estimate), a Full Valuation report may be obtained.



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The property value used and recorded by Westpac (including in determining LVR) is:

- (a) the value outlined in the Full Valuation report, or if the loan purpose is a property purchase, the lesser of the value outlined in the Full Valuation report and the contract price, when a Full Valuation is used;
- (b) the customer estimate, if the Electronic Assessment or Desktop Assessment Report is within Approved Tolerance Levels, when a customer estimate is used;
- (c) the Electronic Assessment or Desktop Assessment when a customer estimate is not within Approved Tolerance Levels and application structure permits; or
- (d) the contract price (where the purpose of the loan is for the purchase of the property, and subject to validation in accordance with credit policy).

When a housing loan is secured by more than one property the combined value of the properties is considered.

All housing loans originated by brokers must comply with Westpac's credit policy (and relevant Consumer Credit Legislation).

After a loan application has been approved, each loan applicant is provided with a general terms and conditions booklet. Once details have been verified relating to the housing loan and the accepted loan offer has been received, the housing loan proceeds through to settlement and disbursement. The real estate security documents are stamped and registered after all documentation is completed to Westpac's satisfaction and disbursement and settlement has occurred. It is a condition of settlement that the mortgagor establishes and maintains full replacement property insurance on all real estate security properties (that had any improvements on the land when taken as supporting security).

Westpac's credit policies are subject to constant review. Credit policies may change from time to time due to business conditions and legal or regulatory changes. Unless otherwise specified, references in this Information Memorandum to Westpac's credit policies are generally references to Westpac's current credit policies, noting that the Housing Loans in the pool will have been originated and serviced under different credit policies over time.

## 5.4 Product Types

Westpac currently offers a wide variety of housing loan product types with various features and options that are further described in section 6.2. Market competition and economics may require that Westpac offer new product types or amend or add features to a Housing Loan that are not described in this section. Westpac may also remove for sale products that are described in this section. The Housing Loans will consist of the following product types.

### **Owner-Occupied Home Loans**

#### *Rocket Repay Home Loan*

This is a variable interest rate owner-occupied home loan that provides interest offset, redraw access as well as package or construction options. The maximum term for this product is 30 years.

#### *Flexi First Option Home Loan*

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This is a low, variable interest rate owner-occupied home loan. Principal and interest loans are currently offered an introductory interest rate discount for 2 years from loan settlement. This product was developed to compete with products offered by bank and non-bank originators. Selected features described in this section may be combined with this product at the Borrower's request for a fee. The maximum term for this product is 30 years.

## *Fixed Options Home Loan*

This is a fixed rate owner-occupied home loan which bears a fixed rate of interest for up to 5 years. The maximum term for this product is 30 years. The loan converts to the Rocket Repay Home Loan variable rate home loan upon the maturity of the fixed rate period unless the Borrower requests an additional fixed rate period or elects to switch to a Flexi First Option Home Loan.

## **Investment Property Loans**

### *Rocket Repay Investment Property Loan*

This is an investment property home loan. It provides a full range of product features including interest offset, free redraw access and full transactional banking capability. The maximum term for this product is 30 years.

### *Flexi First Option Investment Property Loan*

This is a basic variable interest rate loan offered to Borrowers who will use the loan proceeds for investment purposes such as to purchase or refinance residential property. It typically has a lower interest rate. Principal and interest loans are currently offered an introductory interest rate discount for 2 years from loan settlement. Additional loan options described in this section may be combined with this product at the request of the Borrower for a fee. The maximum term for this product is 30 years.

### *Fixed Rate Investment Property Loan*

This is a fixed rate loan offered to Borrowers who will use the loan proceeds for investment purposes such as to purchase or refinance residential property. The maximum term for this product is 30 years. These loans may have fixed interest rate terms for up to 10 years, however since December 2018, the maximum fixed interest rate terms have been 5 years. After this term expires, the loan will convert to the Rocket Repay Investment Property Loan rate unless the Borrower requests another fixed rate term. Some product features such as top-up are not available during the fixed rate period. There are also restrictions on the amount of additional repayments that can be made and the amount of surplus funds available for redraw during the fixed rate period.

## **5.5 Additional features of fixed rate loans**

In addition to the features set out for fixed rate loans above, Westpac's fixed rate loans generally allow for additional repayments of up to A\$30,000 before break costs apply. Further Advances are not available while a fixed rate applies. However, the other features described in section 6.2 are available.

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## 5.6 Servicing of Housing Loans

Servicing procedures include responding to customer enquiries, managing and servicing the features and facilities available under the Housing Loans. The management of delinquent Housing Loans is performed by a specialist collections team.

### *The Servicer*

Prior to 2 December 2011, Westpac subcontracted certain of its servicing functions, including certain of its servicing obligations under the Servicing Agreement to HP Enterprise Services BPA Pty Limited (**HP**) (formerly EDS (Business Process Administration) Pty Limited). Westpac re-assumed these servicing functions in stages between December 2011 and September 2012. In doing so, Westpac took over all of the operations (including most employees and servicing processes) that previously performed these functions at HP. Some information technology functions relating to servicing continue to be subcontracted to HP.

Westpac uses third party service providers to perform certain other non-material functions and may delegate additional servicing functions to third party service providers again in the future.

### *Servicing of Housing Loans*

The day-to-day servicing of Housing Loans is currently performed at Westpac's Lockleys site in Adelaide and in Bangalore. The servicing functions are supported by the activities of Westpac's branches, telemarketing and telebanking centres.

The Servicer is contractually obligated to administer the Housing Loans:

- (a) according to the Servicing Agreement;
- (b) according to Westpac's policies, which are under regular review and may change from time to time as a result of business changes, or legislative and regulatory changes; and
- (c) to the extent not covered by paragraphs (a) and (b), with the same degree of diligence and care expected of an appropriately qualified servicer of similar housing loans.

Under the Servicing Agreement, the Servicer is also responsible for custody of the mortgage title documents on behalf of the Trustee and has custody of the relevant documents (either in machine readable or hard copy format). The Trustee may terminate the Servicer's appointment, including as custodian, if among other things:

- (a) the Servicer becomes insolvent;
- (b) the Servicer is in default under the Servicing Agreement where the default will have an Adverse Effect and does not remedy the default within 30 days;
- (c) the Servicer breaches any of its representations and warranties where the breach will have an Adverse Effect and does not remedy the breach within 90 days;
- (d) the Servicer does not comply with the requirements of the Servicing Agreement to the satisfaction of the auditor, and a further audit also results in an adverse finding by the auditor; or

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- (e) the Servicer is in default under a servicing agreement between it and any other person, and by reason of the default that other person removes any documents in the Servicer's custody under the servicing agreement where that person would otherwise not have been entitled to do so.

### *Collection and Enforcement Procedures*

The Servicer will make reasonable efforts to collect all payments called for under the Housing Loans and any applicable credit enhancement. It will also follow collection procedures that are consistent with the Servicing Agreement and consistent with the procedures it follows for Westpac's residential housing loans.

Pursuant to the terms of the Housing Loans, Borrowers must make the minimum payment due under the terms and conditions of the Housing Loans, on or before each instalment due date. The Servicer will credit repayments to an individual Housing Loan on the date of their receipt. Interest will be accrued daily on the balance outstanding after close of business and charged on each instalment due date. Any payments not received by the due date will produce a compounding interest effect.

A Housing Loan is considered delinquent for collection purposes whenever there is a failure to pay an amount due. However, the Servicer will not consider a Housing Loan delinquent if the Borrower is entitled to a repayment holiday as described in section 6.2 or the minimum instalment is reduced in connection with parental leave.

After a default by a Borrower, a mortgagee can exercise its power of sale of the mortgaged property. To exercise this power, a mortgagee must comply with the statutory restrictions of the relevant State or Territory as to notice requirements. The length of time between the decision to exercise its power of sale and final completion of the sale will be dependent on factors outside the control of the Servicer. For example, whether or not the mortgagor contests the sale and the market conditions at the time are both factors outside the control of the Servicer.

The Servicer may, in the ordinary course of its business and in accordance with its then applicable policies and procedures, determine that an amount payable in respect of a Housing Loan is unrecoverable and should be written off against that Housing Loan prior to enforcement of security. That write-off would usually only be an accounting write-off, in which case it would not change the amount owed by the Borrower. The Trust Manager may determine that the amount of any write-off in respect of any Housing Loan will be treated as a Determined Loss.

The collection and enforcement procedures may change from time to time as a result of business changes, or legislative and regulatory change.

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## 6. Housing Loans

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### 6.1 Eligible Housing Loans

- (a) **(General)** The Mortgage Pool consists of Housing Loans originated by the Approved Seller in the ordinary course of its business and serviced by the Servicer. All loans have been selected from the Approved Seller's standard product range of housing loans and are one of the product types set out in section 5.4, and may have some or all of the features set out in section 6.2.

The Approved Seller has made the following representations and warranties with respect to each Housing Loan:

- (i) All consents required in relation to the assignment of the Housing Loan and the related Receivable Rights have been obtained. The Housing Loan and Receivable Rights are assignable.
- (ii) It is the sole, legal and beneficial owner of the Housing Loan and the related Receivable Rights. The Housing Loan and the related Receivable Rights, together with the interest of the Approved Seller under the Relevant Documents, are owned by it free and clear of any security interest (other than any security interest arising solely as the result of any action taken by the Trustee).
- (iii) As at the Cut-Off Date, the Housing Loan is an Eligible Receivable. In relation to any related Receivable Security that is required to be registered with any Governmental Agency and which is not registered at the Cut-Off Date, it will be registered.
- (iv) The Housing Loan, Receivable Security and Related Security is valid, binding and enforceable against the relevant Obligor(s) in all material respects except to the extent that it is affected by laws relating to creditors rights generally, or doctrines of equity.
- (v) Once equitably assigned to the Trustee, the Housing Loan and Receivable Rights will not be subject to any right of rescission, set off, counterclaim or similar defence. The Housing Loan and Related Rights are not subject to, or affected by, any interest off-set arrangement or right subject to any set off or other arrangement arising under an Interest Offset Deposit Account in respect of any Interest Offset Amount).
- (vi) At the time the Housing Loan and Receivable Security was entered into it complied in all material respects with applicable laws, including, without limitation, where the Consumer Credit Legislation applies, the Consumer Credit Legislation.
- (vii) In relation to each Receivable Security for the Housing Loan the relevant Obligor(s) is or are the sole legal owner of the relevant Mortgaged Property and registered as the sole proprietor(s) of the relevant Mortgaged Property.

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- (viii) There is no fraud, dishonesty, material misrepresentation or negligence on the part of the Approved Seller in connection with the selection and offer to the Trustee of the Housing Loan or related Receivable Securities.
- (ix) The assignment of the Housing Loan and Receivable Rights will not be held by a court to be an undervalue transfer, a fraudulent conveyance, or a voidable preference under any law relating to insolvency.
- (x) The sale, transfer and assignment of the Approved Seller's interest in the Housing Loan and the related Receivable Rights will not constitute a breach of any Relevant Document or the Approved Seller's obligations or a default by the Approved Seller under any security interest.
- (xi) The Approved Seller holds in its possession or control all Relevant Documents that relate to the Housing Loan and the related Receivable Securities necessary to enforce the provisions of and the security created by the relevant Receivable Securities.
- (xii) The Approved Seller is solvent.
- (xiii) As at the Cut-Off Date, the Housing Loan and Receivable Securities were not satisfied, cancelled, discharged or rescinded and the Mortgaged Property relating to the Housing Loan and Receivable Security had not been released from the security of the relevant Receivable Securities.
- (xiv) Except as may be provided in the relevant agreement for the Housing Loan or in the Receivable Security, and subject to applicable laws, the interest rate for each Housing Loan is not subject to any limitation, no consent, additional memoranda or other writing is required from the relevant Obligor to give effect to a change in that rate and any change in that rate will be effective on notice being given to that Obligor in accordance with the terms of the Housing Loan or Receivable Security.
- (xv) Between the Cut-Off Date and the Closing Date, the Approved Seller dealt with the Housing Loan and the Receivable Securities in the ordinary course of its business.

For the purposes of the above representations, an "Eligible Receivable" is a Housing Loan which satisfies the following criteria (the **Eligibility Criteria**):

- (A) it is denominated and payable only in Australian dollars in Australia;
- (B) it is secured by a Receivable Security that constitutes a first ranking mortgage over land, or an interest in a company title scheme with respect to land and situated in Australia which is or will be registered or lodged for registration under the Real Property Legislation, or where a Receivable Security is not, or will not be when registered, a first ranking mortgage, the relevant Sale Notice includes an offer in relation to all prior ranking registered mortgages;

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- (C) it is secured by a Receivable Security over a Mortgaged Property which has erected on it a residential dwelling;
  - (D) it has an LVR less than or equal to 95%;
  - (E) it was approved and originated by Westpac in the ordinary course of its business;
  - (F) the Housing Loan Principal is not more than A\$2,000,000;
  - (G) its relevant Obligor was required to repay the housing loan within 30 years of the Cut-Off Date;
  - (H) it is not in Arrears for more than 30 consecutive days;
  - (I) the sale of an equitable interest in it, or the sale of an equitable interest in any related Receivable Security, does not contravene or conflict with any law;
  - (J) together with the related Receivable Security, it has been or will be stamped, or has been taken by the relevant stamp duties authority to be stamped, with all applicable duty;
  - (K) it is subject to the terms and conditions of Westpac's standard loan offer for the loan products referred to in the definition of "Receivable" in the Series Notice, or any similar loan product, however named, where the Trust Manager has given a Rating Notification for the relevant product features;
  - (L) it is not a loan with an interest only payment period of more than 10 years from the Cut-Off Date;
  - (M) the relevant Obligor in respect of which is a resident of Australia;
  - (N) if the initial purpose of the Housing Loan was solely for constructing a residential dwelling, all progress drawings have been made by the relevant Borrower and construction of the residential dwelling has been completed; and
  - (O) it is not a loan with an interest only payment type which has a bullet principal repayment at the end of the interest only period.
- (b) (Breach of Representations)
- (i) If the Approved Seller, the Trust Manager or the Trustee becomes aware that a representation or warranty from the Approved Seller relating to any Housing Loan or Mortgage is incorrect, it must notify the other parties and the Rating Agencies within five Business Days of it becoming so aware.
  - (ii) If such a notice in relation to a breach is given not later than five Business Days before 120 days after the Closing Date and the breach is not waived or remedied to the satisfaction of the Trustee within five Business Days then, without any action being required by either party, the Approved Seller shall be taken to have offered to repurchase the relevant Housing Loan and Mortgage for an amount equal to its Unpaid Balance.

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- (iii) On payment of that amount the Trustee shall cease to have any interest in the relevant Housing Loan and Mortgage, and the Approved Seller shall hold both the legal and beneficial interest in the Housing Loan and Mortgage and be entitled to all interest and fees that accrue in respect of them from (and including) the date of repurchase.
- (iv) If such notice is given after the date in paragraph (ii), the Trustee's rights in relation to a breach of a representation or warranty shall give rise only to a claim for damages, limited to an amount equal to the Unpaid Balance of that Housing Loan at the time the Approved Seller pays the damages.

## 6.2 Housing Loan Features

- (a) **(General)** Each Housing Loan originated or purchased by Westpac as Approved Seller may have some or all of the features or options described in this section. In addition, during the term of any Housing Loan, Westpac may from time to time at its own initiative, or at the request of the Borrower, change any of the features and options of the Housing Loans. Depending on the product type and the nature of the feature or option selected, various fees may apply.
- (b) **(Redraws and Further Advances)** The Housing Loans generally provide for a redraw facility which allows the Borrower to redraw principal repayments made in excess of scheduled principal repayments. This is available for both variable and fixed rate Housing Loans. Restrictions apply to the amount that can be redrawn on fixed rate Housing Loans. Borrowers may request a Redraw or Further Advance at any time via various methods such as online, phone or branch withdrawals, cheque, direct debit or via card access. The Approved Seller may provide a redraw if the Borrower is entitled to a redraw because of prepayments and if the loan is not a delinquent loan. A Redraw will not result in the Housing Loan being removed from the Mortgage Pool.

The loan documentation and/or the Mortgage for a Housing Loan may allow a Borrower to request additional funds from Westpac through increasing their credit limit. Unlike a Redraw, this causes the relevant Housing Loan Principal to exceed the current amortised scheduled balance of the relevant Housing Loan. Such an advance is known as a Further Advance. Westpac will only provide a Further Advance if its underwriting and credit criteria are satisfied and may, in its absolute discretion, request the Trust Manager, on behalf of the Trustee, to (and on that request the Trust Manager must, on behalf of the Trustee) transfer the relevant Housing Loan from the Trust to the Seller or an Other Trust within 2 Business Days of the Further Advance.

- (c) **(SmartPay)** Since December 2018 Smart Pay has no longer been available for new loans. Prior to this, a Borrower may elect to have his/her salary paid in full or in part into their loan account. If this amount exceeds the scheduled repayment, surplus funds are created which may be Redrawn. This feature will allow a customer up to 15 free automatic disbursements in each month against these surplus funds to other accounts. These disbursements are treated as Redraws.



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- (d) **(Repayment Holiday/Repayment Pause)** The documentation for a Housing Loan may allow the Borrower a repayment holiday/repayment pause when the Borrower has prepaid principal, creating a difference between the relevant Housing Loan Principal of the Housing Loan and the scheduled amortised principal balance of the Housing Loan. The Borrower is not required to make any payments, including payments of interest, until the relevant Housing Loan Principal of the Housing Loan plus unpaid interest equals the scheduled amortised principal balance. If the Borrower fails to make payments during a repayment holiday/repayment pause the related Housing Loan will not be considered delinquent if the Borrower has notified Westpac and complied with the provisions of its Housing Loan.
- (e) **(Early Repayment)** A Borrower may incur break fees if an early repayment or partial prepayment of principal occurs on a fixed rate Housing Loan.
- (f) **(Substitution of Security)** A Borrower may apply to the Servicer to:
- (i) substitute a different Mortgaged Property in place of the existing security property securing a Housing Loan;
  - (ii) add a further Mortgage as security for a loan; or
  - (iii) release a Mortgaged Property from a Mortgage.

If Westpac's credit criteria are satisfied and another property is substituted for the existing security for the Housing Loan, the Mortgage which secures the existing Housing Loan may be discharged without the Borrower being required to repay the Housing Loan and the new Mortgage will secure the existing Housing Loan.

If all of the following conditions occur, the Housing Loan will remain in the Housing Loan pool, secured by the new Mortgage otherwise the Unpaid Balance will be refinanced by Westpac and the Housing Loan would cease to be a Trust Asset:

- (A) the substitute property subject to the Mortgage satisfies the Eligibility Criteria at the time the new Mortgage is entered into;
  - (B) the Mortgage over the substitute property is granted by the Borrower simultaneously with the discharge of the original Mortgage; and
  - (C) the substitute property is acceptable to the Mortgage Insurer (if applicable).
- (g) **(Interest Rate Switching and Switching Between Housing Loan Product Types)** Fixed rate loans will automatically convert to variable rate loans at the end of the fixed rate period as specified in the related loan documentation, unless the Borrower elects another fixed rate period.
- Borrowers may switch between certain housing loan products. This may involve conversion from a variable rate to a fixed rate or vice versa.
- (h) **(Switching to an Investment or Owner-Occupied Housing Loan)** A Borrower may request to switch the use of the Mortgaged Property from owner-occupied property to investment or vice versa. Westpac requires notification from the Borrower of a switch from an owner-occupied to investment Housing Loan and reserves the right to change the interest rate or the fees charged with respect to the Housing Loan. Westpac may from time to time review the product classification

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of a loan as owner-occupied or investment, for example, for changes in borrower circumstance such as residential address. Westpac may also review the classification in response to changes in regulatory reporting guidelines or requirements. As a result of these reviews, a loan may switch from an owner-occupied product to investment or vice versa. The loan will remain an asset of the Trust after the switch.

- (i) **(Combination Housing Loan)** A Borrower may elect to split a loan into separate funding portions which may, among other things, be subject to different interest rates. Each part of the Housing Loan is effectively a separate loan even though all of the separate loans are secured by the same Mortgage.

If a Housing Loan is split, only the original segment of the “split” loan will remain in the Trust, provided it satisfies the Eligibility Criteria as at the date of the split. The new segment, or any original segment that does not satisfy the Eligibility Criteria at the relevant date, will be removed from the Trust.

- (j) **(Payment Type)** The loan payment types on the Cut-Off Date for the Trust will be either interest only and fees or principal, interest and fees. A Borrower may elect to switch from paying principal, interest and fees to interest only and fees provided certain criteria are satisfied. The interest only periods can only be for terms of one to ten years. As a policy exception, a credit specialist may approve a further extension past ten years for up to an additional 12 months. The interest only and fees payment type is available on most variable rate and fixed rate loans. Additionally, fixed rate investment property loans with an interest only and fees payment type permit Borrowers to pay their interest up to 12 months in advance. At the end of any interest only and fees period, the payment type under the related housing loan will convert to a principal, interest and fees payment type. The scheduled payments will be adjusted at this time to ensure that the housing loan will be repaid within its original term.
- (k) **(Parental Leave)** Some of the variable rate loans allow a Borrower who is on maternity or paternity leave and who meets the eligibility criteria to request a reduction in repayment of the related home loan by up to 50 per cent. for a maximum of 12 months. If the reduced payments are not sufficient to cover the interest due on the loan, the unpaid interest rate will be capitalised on the loan balance, which may cause the loan to negatively amortise. The scheduled payments are adjusted at the end of the parental leave period to ensure that the loan will be repaid within its original contracted maturity.
- (l) **(Reduced Repayment)** Some of the variable rate loans allow a Borrower who meets certain eligibility criteria to reduce their home loan repayment by up to 50 per cent. for as long as six months. This feature is designed to cater for certain lifestyle events such as travel, having a baby, long service leave and home improvements which might warrant activating this feature. If the reduced payments are not sufficient to cover the interest due on the housing loan, the unpaid interest rate will be capitalised on the outstanding principal, which may cause the housing loan to negatively amortise. The scheduled payments are adjusted at the end of

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the reduced repayment period to ensure that the housing loan will be repaid within its original contracted maturity.

- (m) **(Insurance premiums)** A Borrower may request that any insurance premium payable by the Borrower in relation to lender's mortgage insurance be capitalised. If Westpac agrees to that request, the premium will be capitalised and will thus constitute part of the principal to be amortised over the life of the Housing Loan.
- (n) **(Capitalised Fees)** A Borrower may request that Westpac provide product features under its Housing Loan contract without requiring the Borrower to pay the usual up-front fee relating to that product. In those cases, Westpac may capitalise the fee, which will thus constitute part of the principal to be amortised over the life of the Housing Loan.
- (o) **(Housing Loan Packages)** Borrowers may elect to take out a housing loan package. The housing loan package has qualifying criteria based on the Borrower's total aggregate loan amount and provides various benefits. These benefits include interest rate discounts and fee waivers or reductions on certain housing loan product types.
- (p) **(Interest offset features)** A Borrower may elect to enter into an arrangement with Westpac under which the amount of interest which would (but for such arrangement) have been payable in respect of a Housing Loan (including a rocket repay loan type) is reduced by reference to any credit balance on any eligible savings or cheque account in the name of that Borrower (whether alone or jointly with another person) which is kept with Westpac.
- (q) **(Interest Only Periods)** Currently, the loans may provide that, unless approved by a credit specialist, owner occupier borrowers pay interest only for up to 5 years or that investor borrowers pay interest only for up to 10 years. After the interest only period, the Borrower must make payments of principal and interest. Prior to October 2016, loans may have been originated with interest only terms of up to 15 years. However, the Eligibility Criteria does not permit loans with an interest only payment period of more than 10 years from the Cut-Off Date. Currently, the assessment of serviceability for interest-only loans is based on the residual term over which principal and interest repayments apply.
- (r) **(Additional features)** The Approved Seller may, in relation to a Housing Loan, from time to time seek to offer additional features which are not referred to above. Before doing so, the Approved Seller must satisfy the Trust Manager that the Trust Manager would be able to give a Rating Notification in relation to the additional features.

## 6.3 Housing Loan Statistics

For statistics relating to the proposed pool of securitised Housing Loans, refer to section 15.

The Trust Manager will provide to the Security Trustee and the Class A Noteholders a report on the statistics for the Housing Loans at least quarterly no later than 4.00pm (Sydney time) on the Remittance Date following the last Collection Period of the relevant

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quarter, by publishing such report on the website [www.westpac.com.au/about-westpac/investor-centre/fixed-income-investors](http://www.westpac.com.au/about-westpac/investor-centre/fixed-income-investors), or such other website as it may notify Class A Noteholders from time to time.

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## 7. Cashflow methodology

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### 7.1 General

This section 7 describes the methodology for the calculation of the amounts to be paid by the Trustee as directed by the Trust Manager on each Payment Date to, among others, the Noteholders. The Series Notice provides for Collections to be allocated by the Trust Manager and paid monthly, 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 7.

### 7.2 Collections and Payment

Collections in respect of interest and principal will be received during each Collection Period. Primarily, Collections are derived from interest and principal receipts from the Housing Loans. Other sources of Collections are proceeds of enforcement of Mortgages, proceeds of claims under Mortgage Insurance Policies (in respect of those Housing Loans which have the benefit of Mortgage Insurance Policies), interest on cash deposits and payments by the Approved Seller or the Servicer in respect of breaches of representations or undertakings.

Each month the Trust Manager will determine the Collections received and reconcile the receipts against expenses (including Coupon payable to Noteholders for the relevant period) that have accrued during that Collection Period. To the extent necessary, the Trust Manager may direct the Trustee to draw on or claim against Support Facilities to make up shortfalls in Collections due but not received. The Trust Manager will make these calculations in the time period between the last day of the Collection Period and the Determination Date.

Once the calculations are finalised on a Determination Date, the Trust Manager advises the Trustee of the amounts to be paid on the relevant Payment Date. The Trustee will arrange for the relevant payments to occur on the Payment Date.

#### **Collections**

The Servicer (who is initially the Approved Seller) will receive the Collections in respect of the Housing Loans.

Subject to the following paragraph, the Trust Manager must deposit or use its best endeavours to procure that Westpac (in its capacity as Servicer or otherwise) deposits an amount equal to all Available Income and Gross Principal Collections it receives during a Collection Period into the relevant Collection Account by no later than 4:00pm on the day which is two Business Days prior to the relevant Payment Date (the **Remittance Date**) for that Collection Period, together with all other Available Income and Gross Principal Collections to the extent received on or before that time, provided that Westpac may retain out of Gross Principal Collections any amounts in accordance with section 7.8(c) in relation to the relevant Collection Period.

If Westpac's:

- (a) short term rating is less than A-1 (S&P Global Ratings); or

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- (b) long term rating is less than BBB (Fitch Ratings) and short term rating is less than F2 (Fitch Ratings),

or in each case such other rating in respect of which the Trust Manager has given a Rating Notification, Westpac (whether in its capacity as Servicer or otherwise) must deposit in the Collection Account all Available Income and Gross Principal Collections for that Collection Period within two Business Days of receipt.

## 7.3 Calculation of Total Available Funds

On each Determination Date the Trust Manager will, for the immediately preceding Collection Period, calculate the total of the following (being **Total Available Funds**):

- (a) Available Income (refer to section 7.4); plus
- (b) Principal Draws (refer to section 7.5); plus
- (c) Liquidity Draws (refer to section 7.6).

## 7.4 Available Income

**Available Income** means, for a Collection Period the aggregate of:

- (a) **Finance Charge Collections** being, for a Collection Period, the aggregate of:
  - (i) all amounts received by or on behalf of the Trustee during that Collection Period in respect of Government Charges, interest, fees and other amounts in the nature of income payable under or in respect of the Housing Loans and the related Receivable Rights, to the extent not included within any other paragraph of this definition, including:
    - (A) any Liquidation Proceeds received on account of interest received during that Collection Period;
    - (B) any payments by any person to the Trustee on the repurchase of a Housing Loan under the Transaction Documents during that Collection Period which are attributable to interest, fees and other income; and
    - (C) the Prepayment Cost Surplus for that Collection Period (if any).
  - (ii) 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:
    - (A) from the Approved Seller, in respect of any breach of a representation, warranty or undertaking contained in the Trust Deed or the Series Notice;
    - (B) from the Approved Seller under any obligation under the Trust Deed or the Series Notice to indemnify or reimburse or pay damages to the Trustee for any amount;
    - (C) from the Servicer in respect of any breach of a representation, warranty or undertaking contained in the Servicing Agreement or the Series Notice; and

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(D) from the Servicer under any obligation under the Servicing Agreement or the Series Notice to indemnify or reimburse or pay damages to the Trustee for any amount,

in each case which are determined by the Trust Manager to be in respect of interest, fees and other amounts in the nature of income payable under the Housing Loans and the related Receivable Rights;

- (iii) recoveries received by or on behalf of the Trustee during that Collection Period;
- (iv) any payments in the nature of income by any person to the Trustee on the repurchase of a Housing Loan under the Transaction Documents (including pursuant to a disposal referred to in section 4.5) in relation to a sale of Housing Loans as described in section 2.4, the amount of the relevant sale proceeds for those Housing Loans attributable to interest, fees or other income which are received on or before the Payment Date immediately following the end of that Collection Period (and the Finance Charge Collections for the Collection Period in which that Payment Date falls will exclude any such payments),

less:

- (v) the Government Charges collected by or on behalf of the Trustee for that Collection Period;
- (vi) the aggregate of all fees and charges due to the Servicer or the Approved Seller under the Housing Loans as agreed by them from time to time and collected by the Approved Seller or the Servicer during that Collection Period; and
- (vii) the Prepayment Cost Surplus (if any) due to Westpac under section 7.11(b) for that Collection Period and collected by Westpac (whether in its capacity as Servicer or otherwise) during that Collection Period,

plus, to the extent not included in Finance Charge Collections:

- (b) any amount received or due to be received by or on behalf of the Trustee in relation to that Collection Period on or by the Payment Date immediately following the end of that Collection Period with respect to net receipts under any Hedge Agreement (and for this purpose net receipts under the Basis Swap and the Interest Rate Swap will be determined before any payment in section 7.7);
- (c) any interest income received by or on behalf of the Trustee during that Collection Period in respect of moneys credited to the Collection Account;
- (d) all amounts received by or on behalf of the Trustee during that Collection Period under section 7.12;
- (e) amounts in the nature of interest otherwise paid by Westpac, the Servicer or the Trust Manager to the Trustee in respect of Collections held by it received during that Collection Period;

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- (f) all other amounts received by or on behalf of the Trustee during that Collection Period in respect of the assets of the Trust in the nature of income; and
- (g) all amounts received by or on behalf of the Trustee during that Collection Period from any provider of a Support Facility (other than the Redraw Facility) under that Support Facility and which the Trust Manager determines should be accounted for to reduce a Finance Charge Loss,

but excluding interest, fees and other amounts in the nature of income paid in error by the relevant Obligor in respect of a Housing Loan after that Housing Loan has been repaid in full and discharged.

## 7.5 Principal Draws

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 pay out of Gross Principal Collections, as an Initial Principal Distribution under section 7.9(a), an amount (the **Principal Draw**) equal to the lesser of:

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

Principal Draws may be reimbursed out of any Excess Available Income available for this purpose on subsequent Payment Dates.

## 7.6 Liquidity Draws

- (a) 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 date direct the Trustee to make a Liquidity Draw on or before the Payment Date following that Determination Date equal to the amount which the Trustee is permitted to draw under clause 3.1 of the Liquidity Facility.
- (b) The Trustee must, if so directed by the Trust Manager but subject to the terms of the Liquidity Facility, 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 Payment Date. The Trust Manager must deal with the amount so deposited in accordance with this section 7.

For a detailed description of the Liquidity Facility, see section 8.1.

## 7.7 Distribution of Total Available Funds

- (a) **(Total Payments)**
  - (i) Subject to sub-paragraphs (ii) and (iii) and section 10.5, 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:



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- (A) first, an amount up to any Accrued Interest Adjustment required to be paid to the Approved Seller (the Trustee acknowledges and agrees that it has no entitlement to the moneys comprising the Accrued Interest Adjustment);
  - (B) second, subject to sub-paragraph (F), Trust Expenses which have been incurred prior to that Payment Date and which have not previously been paid or reimbursed under an application of this section 7.7 (in the order of priority set out in the definition of *Trust Expenses*), provided that the total amount of Increased Costs payable under this sub-paragraph (B) must not exceed the Increased Cost Amount for that Payment Date;
  - (C) third, pari passu and rateably as between themselves:
    - (1) the net amount (if any) payable by the Trustee to the Swap Provider under each Hedge Agreement (except any Settlement Amount where the Swap Provider is the Defaulting Party); and
    - (2) any interest or fees payable by the Trustee under the Liquidity Facility,
  - (D) fourth, any repayment of a Liquidity Draw made on or prior to the previous Payment Date;
  - (E) fifth, pari passu and rateably as between themselves:
    - (1) the payment to the Class A Noteholders of all accrued but unpaid Class A Coupon as at that Payment Date; and
    - (2) any interest or fees payable by the Trustee under the Redraw Facility Agreement;
  - (F) sixth, any fees or expenses which constitute Trust Expenses payable to Westpac, under sub-paragraph (B) but which the Trustee and Westpac have expressly agreed in writing not to treat as Trust Expenses for the purposes of sub-paragraph (B).
- (ii) The Trustee shall only make a payment under any of sub-paragraphs (a)(i)(A) to (a)(i)(F) inclusive 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.
  - (iii) Provided no Event of Default is subsisting, the Trust Manager may, on any day during a Collection Period, direct the Trustee to apply some of the Total Available Funds received during that Collection Period towards Trust Expenses (including any fees that may be payable to Austraclear) provided that the Trust Manager is satisfied that, notwithstanding such payment, there will be sufficient Total Available Funds to meet the Total Payments on the immediately following Payment Date.

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- (b) **(Accrued Interest Adjustment)** The Accrued Interest Adjustment represents interest and fees which have accrued on the relevant Housing Loans but are unpaid as at (and excluding) the Closing Date. During the period between the Cut-Off Date and the Closing Date the Housing Loans continue to be owned by the Approved Seller, however any Collections after the Cut-Off Date will not be received until after the assignment of the relevant Housing Loans to the Trust. The purchase price for the relevant Housing Loans excludes any such accrual. Therefore, an amount equal to that accrued interest and fees and Collections in respect of interest and fees for the period between the Cut-Off Date and the Closing Date will be paid to the Approved Seller on each Payment Date following the Closing Date as a priority payment from Total Available Funds until paid in full.
- (c) **(Trust Expenses)** On each Determination Date the Trust Manager will determine the following payments to be made under section 7.7(a)(i)(B) in the following order of priority on the next Payment Date:
- (i) Taxes payable in relation to the Trust in respect of the Collection Period immediately before that Payment Date;
  - (ii) the monthly fee payable to the Trustee in relation to the Trust (refer to section 9.1(g));
  - (iii) any fee payable to the Security Trustee under the Security Trust Deed (refer to section 10.6);
  - (iv) the monthly fee payable to the Trust Manager in relation to the Trust (refer to section 9.2(e));
  - (v) the monthly fee payable to the Servicer (refer to section 9.4(h));
  - (vi) *pari passu*, any costs, charges or expenses (other than fees) properly incurred by, and any liabilities owing under any indemnity granted to, the Security Trustee or the Servicer in relation to the Trust under the Transaction Documents, for that Collection Period; and
  - (vii) *pari passu* any other Expenses (as defined in the Trust Deed) properly incurred in relation to the Trust, including (without limitation) Expenses relating to reporting of information relating to the Trust,
- (together, the **Trust Expenses**).
- (d) **(Excess Available Income)**
- Subject to paragraph (e) and section 10.5, on each Determination Date, the Trust Manager must apply any Excess Available Income for the Collection Period relating to that Determination Date in the following order of priority (and must direct the Trustee to pay, and the Trustee must pay, the relevant amounts accordingly on the following Payment Date in that order of priority):
- (i) first, as Gross Principal Collections for the relevant Collection Period in an amount up to all Principal Draws which have not been repaid as at the Payment Date immediately after the expiry of that Collection Period;

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- (ii) second, as Gross Principal Collections for the relevant Collection Period in an amount up to the Principal Charge Offs for that Collection Period;
  - (iii) third, pari passu and rateably between themselves (based on the Principal Outstanding and the Stated Amount of the Class A Notes):
    - (A) as Gross Principal Collections for the relevant Collection Period in reinstating the Principal Outstanding by an amount up to the Carryover Redraw Charge Offs (if any);
    - (B) as Gross Principal Collections for the relevant Payment Date in reinstating the Stated Amount of the Class A Notes by an amount up to the Carryover Class A Charge Offs (if any);
  - (iv) fourth, the payment to the Class B Noteholders of all accrued but unpaid Class B Coupon as at that date;
  - (v) fifth, as Gross Principal Collections for the relevant Collection Period in reinstating the Stated Amount of the Class B Notes by an amount up to the Carryover Class B Charge Offs (if any);
  - (vi) sixth, pari passu and rateably between themselves:
    - (A) Increased Costs (if any) due but unpaid on that Payment Date to the extent not paid under section 7.7(a)(i)(B); and
    - (B) any Secured Moneys due but unpaid to the Dealers in that capacity under the Dealer Agreement on that Payment Date;
  - (vii) seventh, pari passu and rateably in or towards payment of any Settlement Amount payable to the relevant Swap Provider under any Hedge Agreement where that Swap Provider is the Defaulting Party; and
  - (viii) eighth, to pay any fee agreed between Westpac, the Trustee and the Trust Manager as payable to Westpac as the Approved Seller, provided that the amount of such fee must not exceed the fair market value of the fee for the origination services provided by Westpac in relation to Housing Loans.
- (e) The Trustee shall only make an application or payment under any of subparagraphs (d)(i) to (d)(viii) inclusive to the extent that any Excess Available Income remains from which to make an application or payment after amounts with priority to that application or payment have been distributed.
  - (f) The Trustee must pay any Excess Collections Distribution for a Collection Period to the Residual Income Beneficiary on that Payment Date.
  - (g) Once distributed to a Residual Income Beneficiary, an Excess Collections Distribution will not be available to the Trustee to meet its obligations in respect of the Trust in subsequent periods.

## **7.8 Gross Principal Collections and Principal Collections**

- (a) On each Determination Date the Trust Manager must determine Gross Principal Collections for the Collection Period ending immediately prior to that Determination Date, being:

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- (i) all amounts received by or on behalf of the Trustee from or on behalf of Borrowers under the Housing Loans during the Collection Period in respect of principal, in accordance with the terms of the Housing Loans, including principal prepayments;
- (ii) all other amounts received by or on behalf of the Trustee under or in respect of principal under the Housing Loans and the related Receivable Rights during that Collection Period including:
  - (A) any Liquidation Proceeds received on account of principal;
  - (B) any amounts in the nature of principal received by or on behalf of the Trustee during that Collection Period pursuant to the sale or transfer of any asset of the Trust (including any amount received by the Trustee on the issue of Notes, which was not used to purchase a Housing Loan or Housing Loan Security and which the Trust Manager determines is surplus to the requirements of the Trust);
  - (C) any Prepayment Costs applied towards Prepayment Benefits under section 7.11(b); and
  - (D) any Prepayment Benefit Shortfall paid by Westpac to the Trust under section 7.11(c);
- (iii) 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 to reduce a Principal Loss;
- (iv) all amounts received by or on behalf of the Trustee during that Collection Period:
  - (A) from the Approved Seller, in respect of any breach of a representation, warranty or undertaking contained in the Transaction Documents;
  - (B) from the Approved Seller under any obligation under the Transaction Documents to indemnify or reimburse or pay damages to the Trustee for any amount;
  - (C) from the Servicer, in respect of any breach of a representation, warranty or undertaking contained in the Servicing Agreement; and
  - (D) from the Servicer under any obligation under the Servicing Agreement to indemnify or reimburse or pay damages to the Trustee for any amount,in each case, which are determined by the Trust Manager to be in respect of principal payable under the Housing Loans and the related Receivable Rights;
- (v) any amount of Excess Available Income to be added to or applied as Gross Principal Collections under section 7.7(d);

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- (vi) any Prepayment Calculation Adjustment for that Collection Period;
- (vii) in relation to a sale of Housing Loans described in section 2.4, the amount of the relevant sale proceeds for those Housing Loans attributable to principal which are received on or before the Payment Date immediately following the end of that Collection Period (and the Principal Collections for the Collection Period in which that Payment Date falls will exclude any such sale proceeds); and
- (viii) any payments in the nature of principal by any person to the Trustee on the purchase or repurchase of a Housing Loan pursuant to a disposal referred to in section 4.5 which are received on or before the Payment Date immediately following the end of the Collection Period (and the Gross Principal Collections for the Collection Period in which the Payment Date falls will exclude any such payments),

but excluding any principal paid in error by the relevant Borrower in respect of a Housing Loan after that Housing Loan has been repaid in full and discharged.

- (b) On each Determination Date the Trust Manager must calculate **Principal Collections** for the preceding Collection Period, being:
  - (i) the Gross Principal Collections for that Collection Period (refer to section 7.8(a)); less
  - (ii) any amounts allocated under section 7.9(a) in relation to that Collection Period.
- (c) The Trustee and the Trust Manager irrevocably authorise Westpac to deduct from Gross Principal Collections received by it (whether in its capacity as Servicer or otherwise) the total amount of all Redraws provided by Westpac in relation to Housing Loans, to the extent that Westpac has not previously been reimbursed in relation to any Redraws and only to the extent that the Trust Manager is reasonably satisfied that amounts would be available from Gross Principal Collections to make all payments (if any) under section 7.9(a)(i)(A) on the following Payment Date.

## 7.9 Distribution of Principal Collections

- (a) (Initial Principal Distributions)
  - (i) Subject to paragraph (ii) and section 10.5, on each Payment Date and based on the calculations and instructions provided to it by the Trust Manager, the Trustee must distribute out of Gross Principal Collections, in relation to the Collection Period ending immediately before that Payment Date, the following amounts in the following order of priority:
    - (A) first, to allocate to Total Available Funds any Principal Draw calculated in accordance with section 7.5;
    - (B) second, to reimburse any Redraws provided by Westpac in relation to Housing Loans to the extent that it has not previously been

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reimbursed in relation to those Redraws in accordance with section 2.8; and

- (C) third, to repay all Principal Outstanding under the Redraw Facility on that Payment Date.
  - (ii) The Trustee shall only make a payment under any of sub-paragraphs (a)(i)(A) to (a)(i)(C) inclusive to the extent that any Gross Principal Collections remain from which to make the payment after amounts with priority to that payment have been distributed.
  - (iii) Only after Initial Principal Distributions have been satisfied will Principal Collections be available to repay the Class A Noteholders and the Class B Noteholders in accordance with the principal allocation methodology outlined in section 7.9 (b).
- (b) (Principal Payments)
- (i) If on any Determination Date, to the extent that the Serial Paydown Conditions are taken not to be met in full, the Trustee must (subject to paragraph (iv) and section 10.5), based on the calculations and instructions given to it by the Trust Manager, on the next Payment Date pay and apply the balance of the Principal Collections for the Collection Period ending immediately before that Payment Date (after making the payments and allocations required by section 7.9(a)) in the following order of priority:
    - (A) first, to the Class A Noteholders by way of Principal Payment, in or towards repayment, *pari passu* and rateably, of the aggregate Invested Amount of all Class A Notes;
    - (B) next, to the Class B Noteholders by way of Principal Payment, in or towards repayment, *pari passu* and rateably, of the aggregate Invested Amount of all Class B Notes; and
    - (C) next, and only if no Notes are then outstanding, as a payment to the Residual Income Beneficiary on that Payment Date.
  - (ii) If on any Determination Date, to the extent that the Serial Paydown Conditions are and will, following payment and application in accordance with this section, be taken to continue to be met in full, the Trustee must (subject to paragraph (iv) and section 10.5), based on the instructions given to it by the Trust Manager, on the next Payment Date, pay and apply the balance of the Principal Collections for the Collection Period ending immediately before that Payment Date (after making the payments and allocations required by section 7.9(a)) as follows:
    - (A) as to an amount equal to the Class A Proportion of the balance of the Principal Collections, by way of Principal Payment, in or towards repayment, *pari passu* and rateably, of the aggregate Invested Amount of all Class A Notes;

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- (B) as to an amount equal to the Class B Proportion of the balance of the Principal Collections, by way of Principal Payment, in or towards repayment, pari passu and rateably, of the aggregate Invested Amount of all Class B Notes; and
  - (C) if and only if, following the making of the payments required by sub-paragraphs (A) and (B) above, no Notes are then outstanding, any balance will be paid to the Residual Income Beneficiary on that Payment Date.
- (iii) If on the Determination Date the Trust Manager determines that:
- (A) all Serial Paydown Conditions are satisfied except for paragraph (a) of the definition of "Serial Paydown Conditions" in section 14 (**Condition A**); and
  - (B) following the payment of Principal Collections on the following Payment Date, Condition A would be satisfied if tested at any time on that following Payment Date following any application of Principal Collections on that Payment Date,

then the Trust Manager will determine the Principal Collections to be applied under section 7.9(b)(i) on the Payment Date following that Determination Date until the point at which Condition A would be satisfied if tested as at that Payment Date following that application. The balance of the Principal Collections will then be applied under section 7.9(b)(ii) on that Payment Date as contemplated by section 7.9(b)(iv).

- (iv) The Trustee shall only make a payment:
- (A) under any of sub-paragraphs (b)(i)(A) to (b)(i)(C) 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; and
  - (B) under sub-paragraph (b)(i) for so long as the Serial Paydown Conditions are, as determined on the preceding Determination Date (in accordance with sub-paragraph (b)(iii) above), taken not to be satisfied on the relevant Payment Date,

and if, as determined on the preceding Determination Date (in accordance with sub-paragraph (b)(iii) above), on any Payment Date following the initial application of amounts under sub-paragraph (b)(i) the Serial Paydown Conditions would be taken to be met, sub-paragraph (b)(ii) will apply on that Payment Date in respect of the balance of Principal Collections to be applied on that Payment Date.

## 7.10 Principal Charge Offs

- (a) Allocating Liquidation Losses

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

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- (i) the amount of those Liquidation Losses which is attributable to interest, fees and expenses in relation to the relevant Housing Loans (**Finance Charge Loss**); and
- (ii) the amount of those Liquidation Losses which is attributable to principal in relation to the relevant Housing Loans,

on the basis that all Liquidation Proceeds actually received by or on behalf of the Trustee in relation to a Housing Loan are applied first against interest, fees and other Enforcement Expenses (other than property restoration expenses) relating to that Housing Loan, and then against the Housing Loan Principal and property restoration expenses relating to that Housing Loan.

(b) (General)

- (i) If on any Determination Date, the Trust Manager determines there has been a Liquidation Loss in relation to a Housing Loan, the Trust Manager will direct the Servicer, if the Servicer has not already done so promptly, and in any event within 20 Business Days of that notice, to make a claim under the relevant Mortgage Insurance Policy, if any, for the aggregate amount of that Liquidation Loss.
- (ii) Upon receipt of any amount under or in respect of a Mortgage Insurance Policy (if applicable) in payment of a claim referred to in paragraph (i), the Trust Manager must determine which part of the amount is attributable to interest, fees and other amounts in the nature of income, and which part of that amount is attributable to principal.
- (iii) If either:
  - (A) the sum of:
    - (1) the total amount recovered and recoverable in respect of that Housing Loan under any applicable Mortgage Insurance Policies, determined to be attributable to principal under section 7.8(a)(ii); and
    - (2) the total amount recovered and recoverable by the Trustee from the Approved Seller or the Servicer (as the case may be) in respect of that Housing Loan (by way of damages or otherwise) under or in respect of the Trust Deed, the Series Notice or the Servicing Agreement (as the case may be), determined by the Trust Manager to be attributable to principal,
  - (B) is less than the amount equal to the Principal Loss for that Housing Loan; or
  - (C) there is a Determined Loss for the relevant Collection Period then a **Mortgage Shortfall** equal to that shortfall or that Determined Loss (as applicable) will arise for that Collection Period.



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- (iv) For the purposes of calculating a Mortgage Shortfall under sub-paragraph (b)(iii)(A), an amount shall be regarded as not recoverable upon the earlier of:
  - (A) a determination being made, in the case of paragraph (b)(iii)(A)(1), by the Trust Manager, and in the case of paragraph (b)(iii)(A)(2), by the Trustee, in each case upon the advice of such suitably qualified expert advisers as the Trust Manager or the Trustee (as the case may be) thinks fit, that there is no such amount, or that such amount is not likely to be recovered (including because any relevant Mortgage Insurance Policy has been terminated, the Mortgage Insurer is entitled to reduce the amount of the claim or the Mortgage Insurer defaults in payment of a claim); and
  - (B) the date which is two years after the Determination Date upon which the relevant Principal Loss was determined under section 7.10(a)(ii).

The aggregate amount of all Mortgage Shortfalls for that Collection Period (a **Principal Charge Off**) will be applied to reduce the Stated Amounts of relevant Notes as set out in paragraph (c).

- (c) **(Charge Offs)** If the Principal Charge Off for any Collection Period exceeds an amount equal to the Excess Available Income calculated on the Determination Date for that Collection Period minus the amount required to be applied on the following Payment Date as referred to in section 7.7(d)(ii), the Trust Manager must, on and with effect from the Payment Date immediately following the end of the Collection Period:
  - (i) reduce pari passu the Stated Amount of the Class B Notes by the amount of the balance of that excess until the Stated Amount of the Class B Notes is zero; and
  - (ii) if the Stated Amount of all Class B Notes has been reduced to zero and any amount of that excess has not been applied under paragraph (i), reduce pari passu and rateably as between the Class A Notes and the Redraw Facility by an amount equal to the balance of that excess:
    - (A) pari passu as between the Class A Notes, the Stated Amount of each Class A Note until the Stated Amount of each Class A Note is zero; and
    - (B) the Principal Outstanding under the Redraw Facility, applied against Redraw Advances (as defined in the Redraw Facility) in inverse chronological order of their Drawdown Dates (as defined in the Redraw Facility), until the Principal Outstanding is zero.
- (d) **(Reimbursement of Carryover Charge Offs)** On any Determination Date, if there is Excess Available Income remaining after the reimbursement of any current period Principal Charge Offs, then the remaining Excess Available Income must be applied as set out in section 7.7(d).

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## 7.11 Prepayment Costs and Prepayment Benefits

- (a) On each Determination Date the Trust Manager will determine total Prepayment Benefits and total Prepayment Costs for the relevant Collection Period and will apply an amount equal to those total Prepayment Costs in payment of those total Prepayment Benefits. If:
  - (i) there is a Prepayment Cost Surplus, it will be applied under paragraph (b); and
  - (ii) there is a Prepayment Benefit Shortfall, it will be funded under paragraph (c).
- (b) On each Payment Date, and based on the calculations and instructions provided to it by the Trust Manager, the Trustee shall pay to the relevant Swap Provider an amount equal to the Prepayment Cost Surplus (if any) for the Collection Period on that Payment Date to the extent received by or on behalf of the Trustee.
- (c) If, on any Determination Date, the Trust Manager calculates that there is a Prepayment Benefit Shortfall, the Trust Manager shall by close of business on that Determination Date notify the relevant Swap Provider of the amount of that Prepayment Benefit Shortfall. That Swap Provider must, by 4.00 pm (Sydney time) on the Remittance Date deposit in the Collection Account for the credit of the Trustee an amount equal to that Prepayment Benefit Shortfall. That amount will be treated as a Gross Principal Collection.

## 7.12 Interest Offset Amount

- (a) Subject to paragraph (b), on each Determination Date, Westpac is required to pay to the Trustee an amount equal to all Interest Offset Amounts for the Collection Period immediately preceding that Determination Date.
- (b) If Westpac's:
  - (i) short term rating is less than A-1 from S&P Global Ratings; or
  - (ii) short term rating is less than F1 (Fitch Ratings) and its long term rating is less than A (Fitch Ratings),

Westpac must pay to the Trustee all Interest Offset Amounts within two Business Days of the date on which the relevant offset interest would otherwise have been paid by the relevant Obligor.

## 7.13 Calculations and Directions

The calculations referred to in this section 7 are required to be made by the Trust Manager and notified to the Trustee on each Determination Date in respect of the Collection Period ending before that Determination Date. The Trust Manager will instruct the Trustee as to payments to be made by the Trustee on the relevant Payment Date. In this regard, the Trustee is entitled to rely conclusively on, and is not required to investigate the accuracy of, the Trust Manager's calculations.

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## 8. Support Facilities

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### 8.1 Liquidity Facility

- (a) **(The Liquidity Facility)** Under the Liquidity Facility, the Liquidity Facility Provider agrees to make advances to the Trustee for the purpose of funding certain income shortfalls in the Trust, up to the Liquidity Limit.
- (b) **(Liquidity Draws)** If the Trust Manager determines on any Determination Date that there will be a Liquidity Shortfall on the following Payment Date, then the Trust Manager must direct the Trustee to make a drawing under the Liquidity Facility to apply towards the Liquidity Shortfall. The drawing will (subject to certain assumptions as to payment) be the lesser of the Liquidity Shortfall and the difference between the Liquidity Limit and the aggregate of all outstanding amounts under the Liquidity Facility (the **Available Liquidity Amount**). A drawing may only be made by a duly completed drawdown notice signed by the Trustee.
- (c) **(Conditions Precedent to a Liquidity Draw)** A drawing may only be made under the Liquidity Facility (a **Liquidity Draw**) if (among other things) no event of default subsists under the Liquidity Facility (as described in sub-paragraph (h)) at the date of the relevant drawdown notice and the relevant drawdown date or will result from the provision of the Liquidity Draw.
- (d) **(Deposit into a Collateral Account)** If at any time:
  - (i) the Fitch Highly Rated Thresholds apply and the Liquidity Facility Provider's short term rating is less than F1+ from Fitch Ratings and its long term rating is less than AA- from Fitch Ratings;
  - (ii) the Fitch Highly Rated Thresholds do not apply and the Liquidity Facility Provider's short term rating is less than F1 from Fitch Ratings and its long term rating is less than A from Fitch Ratings;
  - (iii) the Liquidity Facility Provider does not have the S&P Required Ratings; or
  - (iv) S&P Global Ratings or Fitch Ratings ceases to provide the relevant credit rating for the Liquidity Facility Provider (other than because S&P Global Ratings or Fitch Ratings, as the case may be, cease to provide such ratings generally),

the Liquidity Facility Provider must within:

- (A) 60 days in the case of sub-paragraph (i);
- (B) 14 days in the case of sub-paragraph (ii) or (iv) (in the case of Fitch Ratings);
- (C) 90 days in the case of sub-paragraph (iii) or (iv) (in the case of S&P Global Ratings),

or such longer period in respect of which the Trust Manager gives a Rating Notification, deposit into an account held in the name of the Trustee with a Bank having a short term rating of at least F1 or a long term rating of at least A from Fitch Ratings and the S&P Required Ratings, or in respect of which the Trust

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Manager otherwise gives a Rating Notification (the **Collateral Account**), an amount equal to the Available Liquidity Amount at that time.

If at any time the Bank holding the Collateral Account has a short term rating of lower than F1 and a long term rating of lower than A from Fitch Ratings or does not have the S&P Required Ratings, then the Collateral Account, and all amounts standing to the credit of the Collateral Account, must (subject to certain limited restrictions) be transferred within:

- (i) 60 days by reason of a rating from Fitch Ratings; or
- (ii) 90 days by reason of a rating from S&P Global Ratings,

after such direction (or such longer period in respect of which the Trust Manager gives a Rating Notification) to a new account in the name of the Trustee with a Bank which has the S&P Required Ratings and a short term rating from Fitch Ratings of not lower than F1 or a long term rating of not lower than A from Fitch Ratings.

Withdrawals from a Collateral Account are restricted to, among other things, making a Liquidity Draw, paying any Tax payable in respect of maintenance of, or payments into or withdrawals from the Collateral Account, and investing in short term investments.

All interest accrued on the moneys in the Collateral Account shall belong to the Liquidity Facility Provider and will be paid to the Liquidity Facility Provider on each relevant Payment Date in accordance with section 7.

If, at any time when the Collateral Account is not maintained with the Liquidity Facility Provider, the credit rating of the Liquidity Facility Provider is upgraded so that it has the S&P Required Ratings and a short term rating from Fitch Ratings of not lower than F1 or a long term rating of not lower than A from Fitch Ratings, the Trust Manager may direct the Trustee to, and the Trustee must within two Business Days of being so directed, arrange for the amounts standing to the credit of the Collateral Account to be transferred to an account with the Liquidity Facility Provider (which account will then become the Collateral Account).

- (e) **(Interest on Liquidity Draws)** Interest is payable to the Liquidity Facility Provider on the principal amount drawn under the Liquidity Facility and accrues daily. This interest is payable at a rate calculated by reference to BBSW (which may differ from the BBSW Rate) plus a margin, calculated on days elapsed and a year of 365 days provided that, if the rate determined is less than zero, the interest payable is zero. Interest is payable in arrear on each Payment Date and on repayment of a drawing. Unpaid interest will capitalise, and interest accrues on any unpaid interest.
- (f) **(Commitment Fee)** A commitment fee accrues daily from the date of the Liquidity Facility at the agreed rate on the daily amount of the Available Liquidity Amount, and is payable in arrear on each Payment Date and on termination of the Liquidity Facility, in accordance with section 7. The commitment fee is calculated on the actual number of days elapsed and a year of 365 days.

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- (g) **(Repayment of Liquidity Drawings)** If an amount has been drawn down under the Liquidity Facility, the principal amount is repayable on the following Payment Date, to the extent that amounts are available under the Series Notice (see section 7.7(a)(i)(D)). It is not an event of default under the Liquidity Facility if the Trustee does not have funds available to repay the full amount outstanding on the following Payment Date (unless the Available Liquidity Amount is zero and repayment does not occur within 10 Business Days of the due date).
- (h) **(Events of Default)** Each of the following is an event of default under the Liquidity Facility (whether or not it is in the control of the Trustee):
- (i) at any time the Available Liquidity Amount is zero, the Trustee fails to pay an amount payable by it under the Liquidity Facility within 10 Business Days of its due date;
  - (ii) an amount is available for payment under section 7.7(a)(i)(D) and the Trustee does not pay that amount;
  - (iii) an Insolvency Event occurs in relation to the Trust;
  - (iv) an Insolvency Event occurs in relation to the Trustee, and a successor trustee of the Trust is not appointed within 60 days of that Insolvency Event;
  - (v) the Termination Date occurs in relation to the Trust; or
  - (vi) an Event of Default occurs and any action is taken to enforce the security interest under the Security Trust Deed over the assets of the Trust (including appointing a receiver or receiver and manager or selling any of those assets).
- (i) **(Consequences of Default)** In addition to rights provided by law or any Transaction Document, at any time after an event of default has occurred under the Liquidity Facility (whether or not it is continuing), the Liquidity Facility Provider may do all or any of the following by notice to the Trustee and the Trust Manager:
- (i) declare all moneys actually or contingently owing at that time under the Liquidity Facility immediately due and payable, and the Trustee must immediately pay the total amount of all Liquidity Draws previously made, together with accrued interest and fees; and
  - (ii) cancel the Liquidity Limit with effect from any date specified in that notice.
- (j) **(Termination)** The Liquidity Facility will terminate on the earliest of the following to occur:
- (i) when the Notes have been redeemed in full;
  - (ii) following an event of default under the Liquidity Facility, the date on which the Liquidity Facility Provider declares the Liquidity Facility terminated;
  - (iii) the date on which the Trustee enters into a replacement liquidity facility as previously notified to the Rating Agencies;
  - (iv) the date on which the Trustee, on giving not less than five Business Days irrevocable notice to the Liquidity Facility Provider, has cancelled all or part

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of the Liquidity Limit. Cancellation is conditional on the Trust Manager giving a Rating Notification in relation to such cancellation; and

- (v) the Maturity Date.

## 8.2 Redraw Facility

- (a) **(General)** On or prior to the Closing Date, Westpac will enter into a Redraw Facility in its capacity as Redraw Facility Provider with the Trustee and the Trust Manager. Pursuant to the terms of the Redraw Facility, the Redraw Facility Provider shall be obligated, subject to certain limitations, to fund the amount of any Redraws not funded with Gross Principal Collections. To the extent that Gross Principal Collections are insufficient to fund Redraws, and amounts are available under the Redraw Facility, the Trust Manager must direct the Trustee to draw on the Redraw Facility. Under the Redraw Facility, the Redraw Facility Provider agrees to make advances to the Trustee up to the Redraw Limit from time to time or any other amount as agreed between the Redraw Facility Provider, the Trustee and the Trust Manager. The Redraw Limit may not be increased unless the Trust Manager has given a Rating Notification in relation to the increase.
- (b) **(Revocation)** The Redraw Facility Provider may revoke the Redraw Facility in whole or in part at any time during the term of the Redraw Facility immediately on giving notice to the Trustee, the Trust Manager and each Rating Agency.
- (c) **(Drawings)** In the event that the aggregate amount of Redraws for a Collection Period is greater than Gross Principal Collections allocated or to be allocated to Westpac under section 7.9(a)(i)(B) for that Collection Period (that shortfall being a **Redraw Shortfall**), the Trust Manager must direct the Trustee to draw down a Redraw Advance under the Redraw Facility for an amount equal to the lesser of the Redraw Shortfall and the Available Redraw Amount (but taking account of all payments, appropriations and applications to be made under the terms of the Series Notice on or before the relevant drawdown date).

The Trustee must, if so directed by the Trust Manager but subject to the terms of the Redraw Facility, make that drawing and pay that amount to Westpac on or before the relevant Payment Date.

The sum of all Redraw Advances outstanding on any particular date less the Carryover Redraw Charge Offs at that time shall be the principal outstanding under the Redraw Facility.

A drawing may only be made under the Redraw Facility on account of a Redraw Shortfall.

- (d) **(Conditions Precedent to Drawing)** The obligations of the Redraw Facility Provider to make available each Redraw Advance are subject to the conditions precedent that:
- (i) **(no default)** no event of default subsists under the Redraw Facility at the date of the relevant drawdown notice and the relevant drawdown date or will result from the provision of the Redraw Advance; and

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- (ii) **(representations true)** the representations and warranties by the Trustee in the Redraw Facility are true as at the date of the relevant drawdown notice and the relevant drawdown date as though they had been made at that date in respect of the facts and circumstances then subsisting.
- (e) **(Draw fee)** A draw fee accrues from day to day on the daily amount of each Redraw Advance. That fee is payable at a rate calculated by reference to BBSW (which may differ from the BBSW Rate) plus a margin, calculated on days elapsed and a year of 365 days provided that, if the rate determined is less than zero, the draw fee payable is zero. The draw fee is payable on each Payment Date and at the end of the term of the Redraw Facility. Any amount of unpaid draw fee will be capitalised and interest will accrue on any unpaid draw fee.
- (f) **(Availability Fee)** An availability fee accrues daily from the date of the Redraw Facility at the agreed rate on the Available Redraw Amount, and is payable in arrear on each Payment Date and termination of the Redraw Facility.

The availability fee is calculated on the actual number of days elapsed and a year of 365 days.
- (g) **(Repayment of Redraw Advances)** If an amount has been drawn down under the Redraw Facility, the Principal Outstanding is repayable on the following Payment Date and on the date of termination of the Redraw Facility, to the extent that there are funds available (see section 7.9(a)(ii)). It is not an event of default if the Trustee does not have funds available to repay the full amount of the Principal Outstanding on the following Payment Date.
- (h) **(Events of Default)** Each of the following is an event of default under the Redraw Facility (whether or not it is in the control of the Trustee):
  - (i) any amount is available for payment under or in respect of the Redraw Facility as described in section 7 and is not paid within 10 Business Days of its due date;
  - (ii) an Insolvency Event occurs in relation to the Trust;
  - (iii) an Insolvency Event occurs in relation to the Trustee, and a successor trustee of the Trust is not appointed within 60 days of that Insolvency Event;
  - (iv) the Termination Date occurs in relation to the Trust; or
  - (v) an Event of Default occurs and any action is taken to enforce the security interest under the Security Trust Deed over the assets of the Trust (including appointing a receiver or receiver and manager or selling any of those assets).
- (i) **(Consequences of Default)** At any time after an event of default under the Redraw Facility (whether or not it is continuing) the Redraw Facility Provider may do all or any of the following:
  - (i) by notice to the Trustee and the Trust Manager declare all moneys actually or contingently owing under the Redraw Facility immediately due and

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payable, and the Trustee will pay the Principal Outstanding together with accrued interest and fees and all such other moneys in accordance with the Transaction Documents; or

- (ii) by notice to the Trustee and the Trust Manager cancel the Redraw Limit with effect from any date specified in that notice.

The Redraw Limit may be reduced in whole or in part by the Redraw Facility Provider immediately upon giving notice to the Trustee and the Trust Manager. A reduction of the Redraw Limit will not result in a termination of the Redraw Facility.

## 8.3 Hedge Agreements

- (a) **(General)** The Trustee will enter into two swaps, a Basis Swap and an Interest Rate Swap, with the Swap Provider.

The Basis Swap will be used to hedge the basis risk between the floating rate obligations of the Trust (including Coupon payable on the Notes) and the variable rate set, as permitted by the relevant Housing Loan agreements, at the discretion of the Approved Seller. The Trustee will pay an amount calculated by reference to the aggregate principal balance of all variable rate Housing Loans at the daily weighted average variable interest rate applicable to the variable rate Housing Loans and will receive an amount calculated by reference to the same notional principal amount at the BBSW Rate plus an agreed spread. The spread has been set having regard to the ongoing obligations of the Trust.

The Interest Rate Swap will hedge the basis risk between the floating rate obligations of the Trust (including Coupon payable on the Notes) and the fixed rates agreed between Westpac and the Borrower on the Housing Loans which for the time being bear a fixed rate of interest. The minimum period for which the interest rate on a Housing Loan may be fixed is one year and the maximum is 5 years. The Trustee will pay the applicable daily weighted average fixed rate for each Collection Period on a notional amount equal to the balance of the fixed rate Housing Loans, and will receive the BBSW Rate plus the spread specified in the confirmation for the Interest Rate Swap. The spread has been set having regard to the ongoing obligations of the Trust.

If the Swap Provider is required to deduct or withhold from any payment under a Hedge Agreement an amount for or on account of any Tax, it is not required to gross up such payments.

- (b) **(Termination)** The following events are events entitling termination of the Hedge Agreements.
  - (i) Failure by the Swap Provider or the Trustee to make, when due, any payment or delivery required by the agreement and such failure is not remedied within 10 Business Days of notice being given;
  - (ii) An Insolvency Event has occurred in respect of the Swap Provider.
  - (iii) An event which constitutes illegality will be a termination event under the Hedge Agreements; and



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- (iv) Failure by the Swap Provider to comply with its obligations under certain collateral arrangements after its credit rating is downgraded below certain levels.
- (c) **(Threshold Rate)** If at any time the Basis Swap is terminated, the Servicer is required, not more than seven Business Days following the date on which the Basis Swap is terminated, to ensure that the process is commenced to change the interest rate payable on all discretionary variable rate Housing Loans, subject to the terms of the loan agreements for the relevant Housing Loans, such that the weighted average rate of interest payable on all relevant discretionary variable rate Housing Loans is not less than the Threshold Rate and immediately to notify the Trustee when that process has been completed.

## 8.4 The Mortgage Insurance Policies

### General

Housing Loans with a higher LVR at the time of origination may be required by Westpac's lending policies to be covered by individual mortgage insurance policies issued by the Mortgage Insurer. If mortgage insurance is required, it will cover an amount up to the principal balance of the Housing Loan assessed at origination (although in some cases it may cover a lesser amount for the relevant Housing Loan, for example, where a further advance was provided that did not require mortgage insurance under Westpac's relevant lending policies or depending on the terms of the relevant mortgage insurance policy), plus it may cover (subject to the relevant policy) accrued interest and reasonable enforcement costs.

Housing Loans with an LVR less than or equal to 80% at the time of origination would generally not be required to be covered by individual mortgage insurance policies.

### **Loans insured by ALMI**

Arch Lenders Mortgage Indemnity Limited (formerly named Westpac Lenders Mortgage Insurance Limited) ABN 60 074 042 934 (**ALMI**) is a wholly owned subsidiary of Arch Financial Holdings Australia Pty Ltd (**AFHA**) ABN 18 605 164 627. ALMI was previously a wholly owned subsidiary of Westpac and was acquired by AFHA on 31 August 2021.

On 26 June 2002, APRA issued ALMI with an authorisation to carry on insurance business in Australia under section 12(1) of the Insurance Act 1973 (Cth).

Prior to the acquisition by AFHA, ALMI's authorisation was subject to the following conditions imposed by APRA:

- (a) That ALMI must not issue or renew new insurance policies other than policies that provide lenders mortgage insurance and do not provide any other kind of insurance; and
- (b) That ALMI must only indemnify policyholders against default on loans that are assessed and maintained by Westpac, each of which loan:
  - (i) has been assessed and approved by Westpac as meeting Westpac's lending criteria prior to the making of the loan;

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- (ii) is loaded and maintained on Westpac's lending software; and
- (iii) is subject to Westpac's review processes during the term of the loan.

On 16 September 2021, at the request of AFHA, APRA varied the license conditions imposed on ALMI to remove condition (b) above.

The ALMI lenders mortgage insurance policies contain indemnity limits based on loan type and the year of origination. These limits could impact the amount able to be claimed under ALMI's lenders mortgage insurance policies.

ALMI's lenders mortgage insurance business is reinsured by a diverse panel of global and domestic reinsurers.

As of 30 June 2023, ALMI had total assets of A\$1,377 million and shareholder's equity of A\$479 million.

ALMI currently has an A insurer financial strength and counterparty credit rating from S&P Global Ratings (stable outlook) and an A2 rating (stable outlook) from Moody's. The place of business of ALMI is Level 10, 155 Clarence Street, Sydney NSW 2000.

## **8.5 Servicer Undertakings with respect to Mortgage Insurance Policy**

Under the Servicing Agreement, the Servicer undertakes to:

- (a) act in accordance with the terms of any Mortgage Insurance Policy (where applicable);
- (b) not do anything that would prejudicially affect the rights of the Trustee under a Mortgage Insurance Policy (where applicable); and
- (c) promptly make claims and notify the Trust Manager when claims are made.

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## 9. The Trust

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### 9.1 The Trust

- (a) **(Creation of Trust)** The Series 2024-1 WST Trust is established by a notice of creation of trust entered into under the Trust Deed. The Trust is incorporated under the laws of New South Wales. The specific terms of the Trust are governed by the Series 2024-1 WST Trust Series Notice. The assets of the Trust are not available to meet the liabilities of any other trust formed under the Trust Deed. The assets of any other trust formed under the 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 Trust Deed and the Series Notice.
- (c) **(Powers)** Subject to the Trust Deed, the Trustee has all the rights, powers and discretions over and in respect of the assets of the Trust 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 and eligible Housing Loans and Mortgages, to issue Notes and to enter into Support Facilities.

The Trust Deed expressly permits the Trustee to appoint the Servicer to retain custody of the mortgage documents for the Trust in accordance with the Servicing Agreement, and for the Trustee to lodge documents with the Servicer.

Full details of Trustee powers are outlined in clause 21 of the 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 Trust Deed. It must keep each WST trust 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. The Trustee and the Trust Manager, having regard to their separate functions, have to keep 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 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, Servicer Transfer Event or Title Perfection Event has occurred in relation to the Trust other than where it has actual notice;

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- (ii) the Trustee is required to provide the notices referred to in the 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 advisers in a manner contemplated by the Trust Deed.
- (e) **(Trustee's reliance on others)** The Trustee is entitled to rely conclusively on, and is not required to investigate the accuracy of:
  - (i) the contents of a Sale Notice given to it by the Approved Seller;
  - (ii) the contents of any report given to it by the Trust Manager;
  - (iii) any calculations made by the Approved Seller, a Servicer or the Trust Manager including the calculation of payments due to, or to be charged against, the Noteholders;
  - (iv) the amount of, or allocation of, Collections; or
  - (v) the contents of any certificate provided to the Trustee under the Trust Deed or any certificate given by the Trust Manager or the Servicer,
  - (vi) unless the Trustee is actually aware to the contrary. The Trustee is not liable to any person in any manner whatsoever in respect of these matters.
  - (vii) The Trust Deed also contains other provisions which regulate the Trustee's liability to Noteholders, other creditors and any Beneficiary. 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 discretion or for any other act or omission on its part (or by the Trust Manager of its discretions or for any other act or omission on its part) or for any instructions or directions given to it by the Trust Manager, the Servicer or any Approved Seller. The Trustee is also not liable for any Trust Manager's Default, Servicer Transfer Event or Title Perfection Event. The Trustee is not liable for any act, omission or default of the Servicer in relation to its custodian duties or its obligations under the Servicing Agreement.
- (f) **(Delegation)** In exercising its powers and performing its obligations and duties under the Trust Deed, the Trustee may, with the consent of the Trust Manager (such consent not to be unreasonably withheld), delegate any or all of the duties, powers, discretions or other functions of the Trustee under the Trust Deed or otherwise in relation to the Trust, to a related company of the Trustee which is a trustee company or trustee corporation for the purposes of any State or Territory legislation governing the operation of trustee companies.
- (g) **(Trustee Fees and Expenses)** The Trustee is entitled to a monthly fee based on the aggregate Invested Amount of all Notes on each Determination Date, payable in arrear on the relevant Payment Date.

The Trustee is 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).

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- (h) **(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 is taken by or in relation to the Trustee which causes the rating of any Notes to be downgraded;
  - (iii) the Trustee, or any employee, delegate, agent or officer of the Trustee, breaches any obligation or duty imposed on the Trustee under the Trust Deed or any other Transaction Document in relation to the Trust 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 Trust Deed unless approved by the Trust Manager.

Where the Trustee is removed because of its default, it shall bear the costs of its removal. The Trustee indemnifies the Trust Manager and the Trust for those costs.

On the removal of the Trustee, the Trust Manager, subject to giving prior notice to the Rating Agencies, shall be entitled to appoint in writing some other statutory trustee to be the Trustee under the Trust Deed provided that appointment will not in the reasonable opinion of the Trust Manager materially prejudice the interests of Noteholders. If the Trust Manager does not appoint a successor Trustee within 60 days, an Extraordinary Resolution of the Voting Mortgagees may do so.

- (i) **(Voluntary Retirement of the Trustee)** The Trustee may resign on giving to the Trust Manager (with a copy to the Rating Agencies) 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 is entitled to appoint a successor Trustee whose appointment will not in the Trust Manager's reasonable opinion materially prejudice the interests of Noteholders. If the Trust Manager does not appoint a replacement Trustee within 60 days, an Extraordinary Resolution of Voting Mortgagees may do so.

- (j) **(Limitation on Trustee's Liability)** The limitation of the Trustee's liability applies despite any other provisions of the Transaction Documents and extends to all Obligations of the Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this Information Memorandum or any Transaction Document.

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- (i) The Trustee enters into the Transaction Documents for the Trust as trustee of the Trust and in no other capacity.
- (ii) The Mortgagees (other than the Trustee) acknowledge that the Trustee incurs the Obligations solely in its capacity as trustee of the Trust and that the Trustee will cease to have any Obligation under the Transaction Documents in respect of the Trust if the Trustee ceases for any reason to be trustee of the Trust (other than in respect of any liability which arose before the Trustee ceased to be the trustee of the Trust).
- (iii) Except in the case of and to the extent of fraud, negligence or wilful misconduct on the part of the Trustee, the Trustee will not be liable to pay or satisfy any Obligations except out of the assets of the Trust against which it is actually indemnified in respect of any liability incurred by it as trustee of the Trust.
- (iv) Except in the case of and to the extent of fraud, negligence or wilful misconduct on the part of the Trustee, the Mortgagees (other than the Trustee) may enforce their rights against the Trustee arising from non-performance of the Obligations only to the extent of the Trustee's right of indemnity out of the assets of the Trust.
- (v) Except in the case of and to the extent of fraud, negligence or wilful misconduct on the part of the Trustee, if any Mortgagee (other than the Trustee) does not recover all money owing to it arising from non-performance of the Obligations it may not seek to recover the shortfall by:
  - (A) bringing proceedings against the Trustee in its personal capacity; or
  - (B) applying to have the Trustee in its personal capacity put into administration or wound up or applying to have a receiver or similar person appointed to the Trustee in its personal capacity or proving in the administration or winding up of the Trustee in its personal capacity.
- (vi) Except in the case of and to the extent of fraud, negligence or wilful misconduct on the part of the Trustee, the Mortgagees (other than the Trustee) waive their rights and release the Trustee from any personal liability whatsoever, in respect of any loss or damage:
  - (A) which they may suffer as a result of any:
    - (1) breach by the Trustee of any of its Obligations; or
    - (2) non-performance by the Trustee of the Obligations; and
  - (B) which cannot be paid or satisfied out of the assets of the Trust of which the Trustee is entitled to be indemnified in respect of any liability incurred by the Trustee as trustee of the Trust.
- (vii) The Transaction Documents are subject to certain provisions which are as described in this section and the Trustee shall in no circumstances be

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required to satisfy any liability of the Trustee arising under, or for non-performance or breach of any Obligations under or in respect of, any Transaction Document to which it is expressed to be a party out of any funds, property or assets other than the assets of the Trust under the Trustee's control as and when they are available to the Trustee to be applied in exoneration for such liability PROVIDED THAT if the liability of the Trustee is not fully satisfied out of the assets of the Trust, the Trustee will be liable to pay out of its own funds, property and assets the unsatisfied amount of that liability but only to the extent of the total amount, if any, by which the assets of the Trust have been reduced by reasons of fraud, negligence or wilful misconduct by the Trustee in the performance of the Trustee's duties as trustee of the Trust.

- (viii) The Mortgagees agree that no act or omission of the Trustee (including any related failure to satisfy any Obligations) will constitute fraud, negligence or wilful misconduct of the Trustee for the purposes of this section to the extent to which the act or omission was caused or contributed to by any failure of the Trust Manager or any other person to fulfil its obligations relating to the Trust or by any other act or omission of the Trust Manager or any other person (except to the extent that the relevant failure, act or omission by the Trust Manager or other person was caused by the fraud, negligence or wilful misconduct of the Trustee).
- (ix) No attorney, agent or other person appointed in accordance with a Transaction Document has authority to act on behalf of the Trustee in a way which exposes the Trustee to any personal liability, and no act or omission of such a person will be considered fraud, negligence or wilful misconduct of the Trustee for the purposes of this section.
- (x) In this section **Obligations** means all obligations and liabilities of whatever kind undertaken or incurred by, or devolving upon, the Trustee under or in respect of any Transaction Document.
- (k) **(Trustee's Rights of indemnity)** Except where the Trustee fails to exercise due care due to the Trustee's fraud, negligence or wilful misconduct, the Trustee will be indemnified out of the assets of the Trust against all losses and liabilities properly incurred by the Trustee in performing any of its duties or exercising any of its powers under the Transaction Documents in relation to the Trust.

## 9.2 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 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 Trust Deed 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

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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.

- (c) **(Delegation)** The Trust Manager may in carrying out and performing its duties and obligations contained in the Trust Deed delegate to Westpac, or any of the Trust Manager's or Westpac'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.
- (d) **(Reporting)** The Trust Manager will provide to:
- (i) the Trustee, a report relating to cashflows of the Trust for a Collection Period no later than 4.00pm (Sydney time) on the Remittance Date following that Collection Period; and
  - (ii) the Security Trustee and the Class A Noteholders, a report on the statistics for the Housing Loans at least quarterly no later than 4.00pm (Sydney time) on the Remittance Date following the last Collection Period of the relevant quarter, by publishing such report on the website [www.westpac.com.au/about-westpac/investor-centre/fixed-income-investors](http://www.westpac.com.au/about-westpac/investor-centre/fixed-income-investors), or such other website as it may notify the Class A Noteholders from time to time.
- (e) **(Trust Manager's Fees and expenses)** The Trust Manager is entitled to a monthly fee at an agreed rate on the average daily balance of the Housing Loan Principal during that Collection Period payable in arrear on the relevant Payment Date.
- The Trust Manager is 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).
- (f) **(Removal of the Trust Manager)** The Trust Manager shall retire as trust manager if so directed by the Trustee following a **Trust Manager's Default**. 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 10 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 Trust Deed, any other Transaction Document or any other deed, agreement or arrangement entered into by the Trust Manager



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under the Trust Deed in relation to the Trust, the Trustee reasonably believes that breach has an Adverse Effect and the breach is not remedied 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.

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 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 (subject to the limitations on its liability in that capacity specified in the Transaction Documents).

- (g) **(Voluntary Retirement of the Trust Manager)** The Trust Manager may resign on giving to the Trustee (with a copy to the Rating Agencies) not less than 90 days' 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 (by the election of the Trustee itself) who may be the Trustee, and whose appointment or election by the Trustee will not materially prejudice the interests of Noteholders. If a successor Trust Manager has not been appointed by the end of the 90 days' notice period the Trustee shall act as Trust Manager until a successor trust manager is appointed (subject to the limitations on its liability in that capacity specified in the Transaction Documents) 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 Trust Manager's liability are set out in clause 33 of the 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 Noteholder, any Beneficiary, the Trustee or any other person or for any loss howsoever caused in respect of any of the Trusts or to any Noteholder, any Beneficiary, the Trustee or other person.

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## **Extent of liability of Trust Manager**

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.

## **Right of indemnity**

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.

## **Oversights**

Subject to the 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, 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 Trust Deed (other than a related company), attorney, banker, receiver, barrister, solicitor, agent or other person acting as agent or adviser to the Trustee or the Trust Manager.

## **9.3 Beneficiary**

The beneficial ownership of the Trust is divided into two units, the Residual Income Unit and the Residual Capital Unit. The Residual Capital Unit cannot be transferred, and gives the holder no right to any distributions of the Trust except a right to A\$10 on the winding up of the Trust.

The Residual Income Unit entitles the holder to surplus income of the Trust for any Collection Period, after distribution of all income for that Collection Period to creditors expressed in the Series Notice to have priority to all Beneficiaries, in the circumstances set out in section 7.7. The Residual Income Unit is not transferable without the consent of the Trust Manager.

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

The Trustee may not recover any amounts properly paid to a Beneficiary once they are paid unless there has been a manifest error in the relevant calculation of the amount distributed to that Beneficiary.

## **9.4 The Servicer**

- (a) **(Appointment as Servicer and Custodian)** Under the Servicing Agreement, Westpac will be appointed as the initial Servicer of the Housing Loans and Custodian of the Mortgage Documents.
- (b) **(Normal Servicing Procedures)** The Servicer shall manage and service the Housing Loans in accordance with the Servicing Agreement. To the extent not provided in the Servicing Agreement, the Servicer shall manage and service the Housing Loans in accordance with the applicable procedures manual as that is interpreted and applied by the Servicer in the ordinary course of its business. To

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the extent not covered by the Servicing Agreement or procedures manual, the Servicer shall manage and service the Housing Loans by exercising the degree of diligence and care expected of an appropriately qualified Servicer of the relevant financial products and custodian of documents.

All acts of the Servicer in servicing the Housing Loans in accordance with the relevant procedures manual are binding on the Trustee.

- (c) **(Powers)** Subject to paragraphs (b) and (e)(vi), and the final sub-paragraph of paragraph (e), the Servicer has the express power, among other things, to the extent such action will not cause an Adverse Effect (that is, an event 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) to waive any fees and break costs which may be collected in the ordinary course of servicing the Housing Loans or arrange the rescheduling of interest due and unpaid following a default under any Housing Loans;
  - (ii) in its discretion, to waive any right in respect of any Housing Loans and Mortgages in the ordinary course of servicing the Housing Loans and Mortgages (including in accordance with its normal collection procedures); and
  - (iii) to grant an extension of maturity beyond 30 years from the date any Housing Loan that relates to a Mortgage was made, when required to do so by Law or a government agency. The restriction on granting extensions that will not have an Adverse Effect shall not apply where the extension is required by Law or a governmental agency.
- (d) **(Delegation by the Servicer)** The Servicer is entitled to delegate its duties under the Servicing Agreement. The Servicer at all times remains liable for the acts or omissions of any delegate.
- (e) **(Servicer undertakings)** The Servicer undertakes that it will, among other things:
  - (i) **(notice of default)** give notice in writing to the Trustee and the Rating Agencies of it becoming aware of the occurrence of any Servicer Transfer Event;
  - (ii) **(compliance with law)**
    - (A) maintain in effect all qualifications, consents, licences, permits, approvals, exemptions, filings and registrations as may be required under any applicable law in order to properly service the Housing Loans and Mortgages and to perform or comply with its obligations under the Servicing Agreement; and
    - (B) comply with all Laws in connection with servicing the Housing Loans and Mortgages where failure to do so would have an Adverse Effect;
  - (iii) **(Perfect title)** If so directed by the Trustee following a Title Perfection Event, perfect the Trustee's title to Housing Loans in the Mortgage Pool by

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notifying the Trustee's interests to Borrowers and mortgagors, registering transfers, delivering documents to the Trustee and taking other action required to perfect title.

- (iv) **(Collections)**
  - (A) In relation to Housing Loans of which the Approved Seller is the legal owner, it will assist the Approved Seller to collect all moneys due under those Housing Loans and Mortgages and pay them into the Collection Account.
  - (B) In relation to Housing Loans of which the Trustee is the legal owner, it will collect all moneys due under those Housing Loans and Mortgages and pay them into the Collection Account.
- (v) **(Material Default)** If a Material Default occurs in respect to a Housing Loans, it will take action to enforce the relevant Housing Loan and the related Mortgage to the extent it determines.
- (vi) **(Insurance Policies)** It will:
  - (A) act in accordance with the terms of any Mortgage Insurance Policies (where applicable);
  - (B) not do or omit to do anything reasonably expected prejudicially to affect or limit its rights or the rights of the Trustee under or in respect of a Mortgage Insurance Policy (where applicable);
  - (C) promptly make a claim under any Mortgage Insurance Policy (where applicable) when it is entitled to do so; and
  - (D) promptly notify the Trust Manager when each claim is made.
- (vii) **(No security interests)** Except in limited circumstances, it will 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 Housing Loan and the related Mortgage.
- (viii) **(Release of debt or vary terms)** It will not, except as required by law, release a Borrower or otherwise vary or discharge any Housing Loan or Mortgage where it would have an Adverse Effect.
- (ix) **(Setting the Interest Rate)** It will set the interest rate on the Housing Loans in accordance with the requirements of the Series Notice.

In performing any services the Servicer shall have regard to whether it does or does not have any Adverse Effect. The Servicer may ask the Trustee or the Trust Manager if any action or inaction on its part is reasonably likely to, or will, have an Adverse Effect. The Servicer may rely upon any statement by the Trustee or the Trust Manager that any action or inaction by the Servicer is reasonably likely to, or will, have an Adverse Effect.

- (f) **(Approved Seller undertakings)** The Approved Seller undertakes that it will, among other things:

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- (i) **(compliance with law)**
    - (A) maintain in effect all authorisations as may be required in relation to its ownership of any Housing Loan or Mortgage and to perform or comply with its obligations under the Servicing Agreement; and
    - (B) comply with all laws in connection with its ownership of any Housing Loans and Mortgages where failure to do so would have an Adverse Effect;
  - (ii) **(co-operate with the Servicer)** co-operate with the Servicer in relation to the provision of the services by the Servicer;
  - (iii) **(comply with Series Notice)** comply with any undertaking specified in relation to it in the Series Notice;
  - (iv) **(Material Default)** if a Material Default occurs in respect to a Housing Loan, take such action as the Servicer directs it to take in accordance with the Servicing Agreement;
  - (v) **(Insurance Policies)** act in accordance with the terms of any Mortgage Insurance Policies (if applicable), and not do or omit to do anything which could be reasonably expected to prejudicially affect or limit the rights of the Trustee under them;
  - (vi) **(no Security Interests)** 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 Housing Loan and the relevant Mortgage which would rank before or pari passu with the relevant Housing Loan and relevant Mortgage;
  - (vii) **(release of debt or vary terms)** not, except as required by law, release a Borrower or otherwise vary or discharge any Housing Loan or Mortgage;
  - (viii) **(not claim)** not claim any security interest over any asset of the Trust; and
  - (ix) **(additional amounts)** notify the Servicer immediately of each request by a Borrower to borrow further moneys under or in relation to a Housing Loan or Mortgage.
- (g) **(Delegation)** The Approved Seller:
- (i) directs the Servicer to perform the services in a manner that is consistent with any obligation of the Approved Seller under any law; and
  - (ii) authorises the Servicer to conduct correspondence with Borrowers,
  - (iii) in accordance with the Servicing Agreement.
- (h) **(Servicing Fee)** The Servicer is entitled to a fee for servicing the Housing Loans, payable in arrear on the Payment Date following the end of the Collection Period. The Servicing Fee is based on the average daily balance of Housing Loan Principal during that Collection Period and on the actual number of days in that Collection Period divided by 365 days.

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The Servicer must pay from such fee all expenses incurred in connection with servicing the Housing Loans except for expenses relating to the enforcement of any Housing Loan or its Related Securities, the recovery of any amounts owing under any Housing Loan or any amount repaid to a liquidator or Trustee in bankruptcy pursuant to any applicable law, binding code, order or decision of any court, tribunal or the like and based on advice of the Servicer's legal advisers.

- (i) **(Servicer Transfer Event and Removal)** The Trustee may only terminate the Servicer's appointment if the Trustee determines that a **Servicer Transfer Event** has occurred and is continuing. A Servicer Transfer Event is any of the following:
- (i) an Insolvency Event occurs in relation to the Servicer;
  - (ii) the Servicer fails to pay any amount in accordance with the Transaction Documents within five Business Days of receipt of a notice to do so from either the Trustee or Trust Manager;
  - (iii) the Servicer fails to comply with any of its other obligations under any Transaction Document and such action has had, or, if continued will have, an Adverse Effect (as determined by the Trustee) and that failure is not remedied within 30 days after the Servicer becomes aware of that failure by receipt of notice from either the Trustee or Trust Manager;
  - (iv) any representation, warranty or certification made by the Servicer is incorrect when made and is not waived by the Trustee or remedied to the Trustee's reasonable satisfaction within 90 days after notice, and the Trustee determines that breach would have an Adverse Effect; or
  - (v) if it is unlawful for the Servicer to perform the services under the Servicing Agreement.

In the event of a Servicer Transfer Event, the Trustee must immediately terminate the rights and obligations of the Servicer and appoint an Eligible Servicer. The Trustee must give notice of the termination to the Trust Manager, the Approved Seller, the Servicer and each Rating Agency. Until an Eligible Servicer is found and has been appointed, and subject to the limitations on its liability in that capacity specified in the Transaction Documents, the Trustee will act as the Servicer.

Subject to paragraph (k), the Servicer indemnifies the Trustee against all expenses incurred as a result of a Servicer Transfer Event or a failure by the Servicer to perform its duties under the Servicing Agreement.

- (j) **(Resignation)** The Servicer must not resign without first giving 90 days' notice to each Rating Agency and the Trustee. If an Eligible Servicer has not agreed to act as Servicer by the expiration of that 90 day notice period, the Trustee shall act as Servicer and be entitled to the fee payable under section 7 while so acting, provided that:
- (i) the Trust Manager and the Trustee shall use all reasonable efforts to appoint an Eligible Servicer to be the Servicer; and

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- (ii) if, by the expiration of that 90 day notice period, no Eligible Servicer has been appointed and has agreed to act as Servicer, then the Trustee shall be entitled to select an Eligible Servicer and, on behalf of the Trustee and the Trust Manager, appoint that Eligible Servicer to be the Servicer.
- (k) **(Limit on damages)** The maximum amount that the Servicer may become obliged to pay to the Trustee under any indemnity by it to the Trustee is an amount equal to the Unpaid Balance of each Housing Loan affected by the relevant Servicer Transfer Event or failure, together with any expense, loss, damage or liability which the Trustee incurs in its personal capacity, in each case as at the time the Servicer pays the damages.

## 9.5 Document Custody

- (a) **(General)** The Servicer will be responsible for custody of the relevant title documents for Housing Loans, Mortgages and related rights (***Title Documents***) on behalf of the Trustee.

The Servicer must hold those documents as custodian, in electronic form or otherwise, at the direction of the Trustee in accordance with its standard safekeeping practices and in the same manner and to the same extent that it holds documents for the Approved Seller.

The Servicer will hold custody of the Title Documents in accordance with procedures contained in the Servicing Agreement. The procedures include maintaining reports on movements of documents.

The Trust Manager may, in its absolute discretion, request an independent auditor to conduct an audit (which, for the avoidance of doubt, may be conducted by agreed upon procedures) of the Servicer's custodial role with respect to the Relevant Documents for the Trust on such terms as the Trust Manager determines in its absolute discretion.

- (b) The Trustee shall pay the reasonable fees and expenses of the auditor with respect to any such audit. **(Termination of Servicer as document custodian)** If any of the following occur:
  - (i) the Servicer becomes insolvent;
  - (ii) the Servicer is in default under the Servicing Agreement where the default will have an Adverse Effect and does not remedy the default within 30 days;
  - (iii) the Servicer breaches any of its representations and warranties where the breach will have an Adverse Effect and does not remedy the breach within 90 days;
  - (iv) the Servicer does not comply with the requirements of the Servicing Agreement to the satisfaction of the auditor, and a further audit also results in an adverse finding by the auditor; or
  - (v) the Servicer is in default under a servicing agreement between it and any other person, and by reason of the default that other person removes any

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documents in the Servicer's custody under the servicing agreement where that person would otherwise not have been entitled to do so,

the Servicer must deliver the Title Documents to the Trustee. If the Servicer does not do so within 10 Business Days, then the Trustee must enter the premises where the Title Documents are kept, take possession of and remove the Title Documents. If the Trustee does not have possession of the documents within 10 Business Days it must lodge caveats in relation to and/or take all other action it considers necessary to protect its interests.

## 9.6 Termination of the Trust

The Trust will terminate on the earlier to occur of:

- (a) the date which is 80 years after the date of creation of the Trust;
- (b) the termination of the Trust under statute or general law;
- (c) following full and final enforcement of the Security Trust Deed; or
- (d) at any time after all Notes have been repaid in full, if the Trust Manager notifies the Trustee in writing that the Trust is to be terminated,

each such date being the **Termination Date**.

## 9.7 Audit and Accounts

An Auditor will be appointed to the Trust. The Auditor must audit the annual accounts prepared by the Trust Manager for each financial year in respect of the Trust and provide a written report detailing the results of the audit to the Trustee, the Security Trustee and the Rating Agencies. An audit will not be required (at the election of the Trust Manager) if there are no Notes outstanding and the only creditors of the Trust are any of the Trust Manager, the Trustee, the Security Trustee, Westpac or any of their related body corporates (as defined in the Corporations Act).

The accounts of the Trust will be prepared in accordance with the Trust Deed (as amended by the Series Notice), which provide that for each financial year of the Trust the Trust Manager will ascertain the net income of the Trust in accordance with section 95(1) of the Income Tax Assessment Act 1936 and the income of that Trust in accordance with the laws applicable to the administration of that Trust and the Trust Deed (as amended by the Series Notice). The Trust Manager may apply such accounting policies as the Trust Manager and the Trustee may agree provided that such policies, if applied, would not lead to the downgrade or withdrawal of the rating of any of the Notes.

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.

## 9.8 Income Tax

Any income which is held by the Trust at tax year end will be distributed to the relevant Beneficiary. As the Trust will be a member of the Westpac consolidated tax group, Westpac will prepare and lodge all necessary income tax returns. The Trust will not be



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required to lodge a separate income tax return. The Trust Manager and the Trustee have received an opinion from Clayton Utz confirming the application of the relevant taxation principles.

## 9.9 Amendments to the Trust Deed

The Trustee, the Trust Manager and the Servicer may by way of supplemental deed alter, add to or modify the Trust Deed or a Transaction Document other than the Dealer Agreement 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;
- (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 is desirable to enable the provisions of the Trust Deed to be more conveniently, advantageously, profitably or economically administered or is otherwise desirable for any reason.

Where in the reasonable opinion of the Trustee a proposed alteration, addition or modification to the Trust Deed (other than referred to in any of paragraphs (a) to (d) (inclusive) above) is prejudicial or likely to be prejudicial to the interests of the 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 in the Trust under an Extraordinary Resolution of those Noteholders or with the prior written consent of the Beneficiaries (as the case may be).

However, the Trust Manager may at any time direct the Trustee to amend the counterparty downgrade provisions of an Interest Rate Swap following changes to the criteria of the relevant Rating Agency without the consent of the Noteholders or the Beneficiaries of the Trust provided that the variations will not cause a Rating Downgrade Event.

## 9.10 Meeting of Noteholders

- (a) **(Who Can Convene Meetings)** Noteholders or a Class of Noteholders holding in aggregate not less than 20% of the Invested Amounts of all Notes or in that Class, may at any time convene a meeting of the Noteholders or Class, as the case may be.
- (b) **(Notice of Meetings)** At least seven 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 may not register any transfer of a Note in the period two 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

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notice or the non-receipt of notice by any Noteholder will not invalidate the proceedings at any meeting.

- (c) **(Quorum)** The quorum for a meeting is any person or persons being Noteholders holding, or representatives of Noteholders holding or representing, in the aggregate not less than 67% of the Invested Amounts of all Notes issued in relation to the Trust or constituting the Class (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 seven 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 25% of the Invested Amounts of all Notes issued by the Trust or constituting the Class (as the case may be) and then outstanding (whatever the Notes so held or represented) shall form a quorum.

At least five 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)** Resolutions 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 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 then outstanding Notes will have one vote on a show of hands and one vote for each Note held by them on a poll.

- (e) **(Powers of a Meeting of Noteholders)** The powers of a meeting of Noteholders are specified in the Trust Deed (including to sanction action which the Trustee, Trust Manager or Servicer propose to take to enforce the provisions of any Transaction Document (in the case of Voting Noteholders only), and to consent to the amendment of Transaction Documents affecting the relevant Class of Noteholders) and can only be exercised by an Extraordinary Resolution. 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 or any Housing Loans or Mortgages owned by the Trustee;
- (v) amend any Transaction Document (except in respect of amendments proposed by the Trustee or Trust Manager for which an Extraordinary Resolution of Noteholders is required under section 9.9); or

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- (vi) alter the Payment Dates, Coupon, or other terms of the Series Notice in relation to any Notes.
- (f) **(Binding Resolutions)** An Extraordinary Resolution passed at a meeting of the Noteholders of the Trust or of any Class duly convened and held in accordance with the Trust Deed shall be binding on all the Noteholders of the Trust or of the Class whether or not present at such meeting.
- (g) **(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).

## 9.11 Perfection of Title

On the occurrence of a Title Perfection Event, the Trustee and the Trust Manager must take all reasonable steps to perfect the Trustee's title in and to the Housing Loans and related Mortgages, and may:

- (a) by notice to the Approved Seller, terminate the rights and obligations between the Trustee and the Approved Seller;
- (b) complete, execute and register any relevant transfers on behalf of the Approved Seller;
- (c) give notice of the perfection of its title to interested persons, including (where relevant) the Mortgage Insurer;
- (d) do anything else reasonably necessary to perfect its interest in the relevant Housing Loans and Mortgages.

The Approved Seller must promptly (and in any event within 10 Business Days or such longer period as the Trustee permits) take all action to perfect the Trustee's legal title to the Housing Loans and the related Mortgages by giving written notice of the Trustee's interest to any Borrower, registering any relevant transfer and delivering all relevant documents to the Trustee.

Each of the following is a ***Title Perfection Event*** in relation to the Housing Loans:

- (i) an Insolvency Event occurs with respect to the Approved Seller;
- (ii) the Approved Seller fails to pay Collections within five Business Days of receipt of notice from the Trustee or the Trust Manager to do so under the Servicing Agreement; and
- (iii) Westpac is required by Law to perfect legal title in the Housing Loans or Related Securities for the benefit of the Trustee.

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## 10. The Security Trust Deed

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### 10.1 Security interest granted under the Security Trust Deed

Under the Security Trust Deed, the Trustee has granted a first ranking security interest, to be registered in accordance with the PPSA, over all of the assets of the Trust and anything in respect of which the Trustee has a sufficient right or interest to grant a security interest under the PPSA or any other law, in favour of the Security Trustee in order to secure the Trustee's obligations to the Noteholders, the Trust Manager, the Servicer, the Swap Provider, the Security Trustee, the Support Facility Providers (other than the Mortgage Insurer), and in respect of any Accrued Interest Adjustment and unreimbursed Redraws owed to the Approved Seller (together, those creditors being the *Mortgagees*).

### 10.2 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 security interest granted under the Security Trust Deed, the secured property and the benefit of each of the Trust Documents to which it is a party on trust for each Mortgagee in accordance with the terms and conditions of the Security Trust Deed.

Subject to the provisions of the Security Trust Deed, if there is at any time a conflict between a duty owed by the Security Trustee to any Mortgagees or class of Mortgagees, and a duty owed by it to another Mortgagee or class of Mortgagee, the Security Trustee must give priority to the interests of the Noteholders.

Subject to the provisions of the Security Trust Deed (other than the paragraph above), the Security Trustee must give priority to the interests only of:

- (a) the Class A Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Class A Noteholders and the interests of the Class B Noteholders or the other persons entitled to the benefit of the security interest granted under the Security Trust Deed; and
- (b) the Class B Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Class B Noteholders and any other persons entitled to the benefit of the security interest granted under 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:

- (a) has no responsibility for the form or contents of any Transaction Document and has no liability arising as a result of or in connection with any inadequacy, invalidity or unenforceability of any provision of any Transaction Document;
- (b) is not required to keep itself informed as to the compliance by the Trustee or the Trust Manager with any Transaction Document or any other document or agreement or to inspect any property or book of the Trustee or the Trust Manager;

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- (c) may rely on any document it believes to be genuine and correct, and on the advice and statements of advisers where permitted by the terms of that advice or those statements;
- (d) is not obliged to disclose any information relating to the Trustee if in the opinion of the Security Trustee (on the basis of the advice of its legal advisers) disclosure would or might breach a law or a duty or secrecy or confidence; and
- (e) is not obliged to do anything unless its liability is limited in a manner satisfactory to it in its absolute discretion.

The Security Trustee has no liability under or in connection with the Security Trust Deed or any other Transaction Document to any person other than to the extent to which the liability is able to be satisfied in accordance with the Security Trust Deed out of the property of the trust established under the Security Trust Deed from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent that it is not satisfied because, under the Security Trust Deed or by operation of law, there is a reduction in the extent of the Security Trustee's indemnification as a result of the Security Trustee's fraud, negligence or wilful misconduct.

## 10.3 Events of Default

Each of the following is an **Event of Default** under the Security Trust Deed:

- (a) **(Failure to pay)** the Trustee fails to pay:
  - (i) any Coupon within 10 Business Days of the Payment Date on which the Coupon was due, together with all interest accrued and payable on that Coupon; or
  - (ii) any other Secured Money, within 10 Business Days of the due date (or within any applicable grace period agreed in writing with the Mortgagees to whom the Secured Moneys relate).

Sub-paragraphs (i) and (ii) above will not constitute Events of Default if the Secured Moneys which the Trustee failed to pay are subordinated to payments of amounts due to:

- (A) Class A Noteholders while any Secured Moneys remain owing:
    - (1) to Class A Noteholders; or
    - (2) to any other person, which rank in priority to amounts due to Class A Noteholders; or
  - (B) Class B Noteholders while any Secured Moneys remain owing:
    - (1) to Class B Noteholders; or
    - (2) to any other person, which rank in priority to amounts due to Class B Noteholders;
- (b) **(Breach of obligation)** the Trustee fails to perform or observe any other provisions (other than an obligation referred to in paragraph (a)) of the Transaction Documents where such failure will have an Adverse Effect and that default (if in the

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opinion of the Security Trustee is capable of remedy (that opinion having been approved in writing by the Noteholders)) is not remedied within 30 days after written notice (or such longer period as may be specified in the notice, that longer period having been approved by the Noteholders) from the Security Trustee requiring the failure to be remedied;

- (c) **(Insolvency)** an Insolvency Event occurs in relation to the Trustee (as trustee of the Trust or in its personal capacity) and the Trustee is not replaced in accordance with the Transaction Documents within 60 days or such longer period as the Security Trustee (on the direction of an Extraordinary Resolution of the Voting Mortgagees) may agree;
- (d) **(Security interest granted under the Security Trust Deed)** the Security Trust Deed is not or ceases to be valid and enforceable or the Trustee breaches the terms set out in clause 4.1(a) of the Security Trust Deed where such breach will have an Adverse Effect. Under clause 4.1(a) of the Security Trust Deed, except with the prior written consent of the Security Trustee, or as expressly permitted in any Transaction Document, the Trustee must not:
  - (i) create or allow to exist any Security Interest (other than the charge created under the Security Trust Deed and any Security Interest arising under any Transaction Documents) over any assets of the Trust; or
  - (ii) in any way dispose of, create or allow any interest in or part with possession of, any assets of the Trust.

For the purposes of this paragraph (d) only, the words "allow to exist" in paragraph (d)(i) shall be interpreted as allowing a Security Interest to exist for a period of time of more than 10 Business Days;

- (e) **(Enforcement of security)** any security interest over the assets of the Trust is enforced;
- (f) **(Vitiation of Transaction Documents)** either:
  - (i) any Transaction Document or a material part of any Transaction Document (other than a Support Facility) is terminated or is or becomes void, illegal, invalid, unenforceable or of limited force and effect; or
  - (ii) a party becomes entitled to terminate, rescind or avoid all or part of any Transaction Document (other than a Support Facility),

where that event has or will have an Adverse Effect;

- (g) **(Termination of Support Facility without replacement)** all or a material part of a Support Facility (other than the Redraw Facility or the Basis Swap) is terminated or is or becomes void, illegal, invalid, unenforceable or of limited force and effect and is not replaced, substituted or supplemented as contemplated by clauses 4.6(a) and 4.6(d) of the Trust Deed, where that event has or will have an Adverse Effect; and
- (h) **(Trust)** without prior consent of the Security Trustee (that consent having been approved by the Noteholders):

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- (i) the Trust is wound up, or the Trustee is required to wind up the Trust under the Trust Deed or applicable law, or the winding up of the Trust commences;
- (ii) the Trust is held or is conceded by the Trustee not to have been constituted or to have been imperfectly constituted; or
- (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 in its name and to perform its obligations under the Transaction Documents.

The Trustee must promptly notify the Security Trustee if it becomes aware of the occurrence of an Event of Default, including full details of the Event of Default.

## 10.4 Enforcement

The Security Trustee must, 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 Voting Mortgagees representing in aggregate at least 75% of the then Secured Moneys capable of being cast at the meeting or by written resolution signed by all of the Voting Mortgagees) on whether to direct the Security Trustee to:

- (a) declare the security interest granted under the Security Trust Deed immediately enforceable;
- (b) declare the Secured Moneys to be immediately due and payable;
- (c) crystallise the security interest granted under the Security Trust Deed; and/or
- (d) appoint a receiver over the Trust's assets or itself exercise the powers that a receiver would otherwise have under the Security Trust Deed.

The Security Trust Deed sets out detailed meeting procedures for Mortgagees (as set out in Section 10.10 below), which procedures are generally similar to those for meetings of Noteholders under the Trust Deed.

The Security Trustee cannot exercise the powers referred to above unless directed by a Mortgagee Extraordinary Resolution in the manner outlined above. It is not obliged to act unless it obtains an indemnity from the Mortgagees, and is put in funds by them for the relevant enforcement actions, nor is it required to exercise its powers without being directed to do so by a Mortgagee Extraordinary Resolution.

No Mortgagee is entitled to enforce the security interest granted under the Security Trust Deed, or appoint a Receiver or otherwise exercise any power conferred by any applicable law on security interests unless:

- (a) the Security Trustee becomes bound to take steps and/or proceed under the Security Trust Deed and it fails to do so within a reasonable time and such failure is continuing, the Voting Mortgagees may exercise such powers as they determine by

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Extraordinary Resolution and then only if and to the extent the Voting Mortgagees are able to do so under Australian law and the Transaction Documents; or

- (b) the Voting Mortgagees refuse to grant the requested indemnity, and put it in funds, then the Security Trustee will not be obliged to act in relation to that enforcement. In those circumstances, the Voting Mortgagees may exercise such Powers as they determine by Extraordinary Resolution.

The Security Trust Deed also sets out mechanisms for enforcement by the Security Trustee upon receiving prior written consent of the Noteholders in accordance with the procedures set out in the Security Trust Deed.

## **10.5 Priorities after enforcement**

The proceeds from the enforcement of the security interest granted under the Security Trust Deed are to be applied in the following order of priority, subject to any other priority which may be required by statute or law:

- (a) first, to pay all costs, charges, expenses and disbursements properly incurred in the exercise of any power by the Security Trustee, a Receiver or an Attorney or other amounts (other than those referred to in paragraph (b)) payable to the Security Trustee under the Security Trust Deed;
- (b) second, to pay (*pari passu* and rateably):
  - (i) any fees and other expenses due to the Security Trustee;
  - (ii) any fees, and unpaid Expenses, due to the Trustee; and
  - (iii) the Receiver's remuneration;
- (c) third, to pay (*pari passu* and rateably), any unpaid Accrued Interest Adjustment due to the Approved Seller;
- (d) fourth, to pay (*pari passu* and rateably):
  - (i) all Secured Moneys owing to Support Facility Providers under the Liquidity Facility Agreement, the Redraw Facility Agreement and each Hedge Agreement (except where the relevant Swap Provider is the Defaulting Party); and
  - (ii) all Secured Moneys owing in relation to any Redraws made by Westpac for which Westpac has not been reimbursed under the Transaction Documents;
- (e) fifth, to pay (*pari passu* and rateably):
  - (i) all Secured Moneys owing to the Support Facility Providers to the extent not expressly referred to elsewhere in this section 10.5; and
  - (ii) all Secured Moneys owing to the Class A Noteholders (as at the date of payment);
- (f) sixth, to pay all Secured Moneys owing to the Class B Noteholders (as at the date of payment);



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- (g) seventh, to pay (pari passu and rateably) all Secured Moneys owing to Swap Providers under a Hedge Agreement where the relevant Swap Provider is the Defaulting Party;
- (h) eighth, to pay (pari passu and rateably) any amounts not covered above owing to any Mortgagee under any Transaction Document;
- (i) ninth, to pay (pari passu and rateably) any amounts referred to in section 7.7(a)(i)(F);
- (j) tenth, to pay the holder of any subsequent Security Interest over assets of the Trust of which the Security Trustee has notice, the amount properly secured by the Security Interest; and
- (k) eleventh, to pay any surplus to the Trustee to be distributed in accordance with the Trust Deed and the Series Notice. The surplus will not carry interest. If the Security Trustee 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.

## 10.6 Security Trustee Fee and Expenses

The Trustee shall reimburse the Security Trustee for all costs and expenses of the Security Trustee properly incurred in acting as Security Trustee.

The Security Trustee shall be entitled to a fee payable monthly in the amount agreed from time to time by the Trustee, the Security Trustee and the Trust Manager.

The Trustee indemnifies the Security Trustee against any loss, cost, liability, expense or damage under or in relation to the Transaction Documents or its engagement as Security Trustee, except where arising from the Security Trustee's fraud, negligence or wilful misconduct.

## 10.7 Retirement and removal

- (a) The Security Trustee may retire on 3 months' notice in writing to the Trustee, the Trust Manager and the Rating Agencies, subject to the appointment of a successor security trustee and the Trust Manager having given a Rating Notification in relation to that the resignation and appointment of a successor.
- (b) The Trust Manager may remove the Security Trustee if:
  - (i) an Insolvency Event occurs in relation to the Security Trustee in its personal capacity;
  - (ii) the cessation by the Security Trustee of its business;
  - (iii) 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
  - (iv) if without the prior written consent of the Trust Manager there occurs certain changes in the control or management of the Security Trustee.

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- (c) A Mortgagee Extraordinary Resolution may at any time remove the Security Trustee.
- (d) Upon notice of resignation or removal the Trust Manager shall have the right to appoint a successor security trustee who has been previously approved by a Mortgagee Extraordinary Resolution and who accepts the appointment.
- (e) If no successor security trustee is appointed within 30 days after notice, the retiring security trustee may on behalf of the Mortgagees appoint a successor security trustee (other than Westpac or a Related Corporation of Westpac) who accepts the appointment.

## **10.8 Amendment**

The Security Trust Deed may be amended by the Trustee and the Security Trustee in the manner (and subject to the restrictions) set out in the Security Trust Deed.

## **10.9 Information**

- (a) The Security Trustee has the right to call for any information relating to the Trust or the Notes which is received by or prepared by the Trustee or the Trust Manager.
- (b) The Trustee will give to the Security Trustee a copy of the Register and any information relating to the Trust or the Notes (of which it is aware or which is in its possession) that the Security Trustee reasonably requests in connection with the exercise and performance of its powers and obligations under the Security Trust Deed, including without limitation the identity, and notice details of, each Mortgagee and Beneficiary and the Secured Moneys owing to each Mortgagee.
- (c) The Trust Manager undertakes to promptly give to the Security Trustee a copy of each custody audit given under the Servicing Agreement, Trust Manager's report and audit report in relation to the Trust, and upon request from the Security Trustee, a copy of each Transaction Document and details and information relating to the identity, and notice details of, each Support Facility Provider and the Secured Moneys owing to each Support Facility Provider.

## **10.10 Meeting of Mortgagees**

- (a) The Security Trustee shall not assent or give effect to any matter which a meeting of Voting Mortgagees is empowered by Extraordinary Resolution to do, unless the Security Trustee has previously been authorised to do so by an Extraordinary Resolution of Voting Mortgagees.
- (b) At least 21 days' notice (inclusive of the day on which the notice is given and of the day on which the meeting is held) of the meeting shall be given to the Voting Mortgagees, the Beneficiary and all the Rating Agencies or such shorter notice period if so agreed by the Voting Mortgagees representing a quorum.
- (c) Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Voting Mortgagee or as a Representative.

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- (d) If at any meeting a poll is so demanded, it shall be taken in such manner and either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll.
- (e) At any meeting:
  - (i) on a show of hands, every person holding, or being a representative holding or representing other persons who hold, Secured Moneys shall have one vote; and
  - (ii) on a poll, every person who is present shall have one vote for each \$10,000 (but not part thereof) of the Secured Moneys that he holds or in respect of which he is a representative. Any person entitled to more than one vote need not use or cast all of the votes to which he is entitled in the same way.
- (f) An Extraordinary Resolution passed at a meeting of the Voting Mortgagees duly convened shall be binding upon all Mortgagees whether or not present at such meeting and each of the Mortgagees and the Trustee, the Trust Manager and the Security Trustee shall be bound to give effect to it accordingly.
- (g) Notwithstanding the above, a resolution of all the Voting Mortgagees (including an Extraordinary Resolution) may be passed, without any meeting or previous notice being required, by an instrument or notes in writing which have:
  - (i) in the case of a resolution (including an Extraordinary Resolution) of all the Voting Mortgagees, been signed by all the Voting Mortgagees; and
  - (ii) any such instrument shall be effective upon presentation to the Security Trustee for entry in the records.
- (h) For so long as the Noteholders are the only Voting Mortgagees they may direct the Security Trustee to do any act or thing which the Security Trustee is required to do, or may only do, at the direction of an Extraordinary Resolution of Voting Mortgagees.
- (i) Despite anything to the contrary, at any time while an Event of Default subsists:
  - (i) if the Noteholders are not the only Voting Mortgagee; and
  - (ii) if the Noteholders direct the Security Trustee to enforce the security interest granted under this deed,

the Security Trustee shall enforce the security interest granted under the Security Trust Deed as if directed to do so by an Extraordinary Resolution of Voting Mortgagees.

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## 11. Taxation matters

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THE FOLLOWING IS A SUMMARY OF THE AUSTRALIAN WITHHOLDING TAX TREATMENT UNDER THE ITAA 1936 AND THE INCOME TAX ASSESSMENT ACT 1997 (CTH) (ITAA 1997) (TOGETHER, THE AUSTRALIAN TAX ACT) AT THE DATE OF THIS INFORMATION MEMORANDUM OF PAYMENTS OF INTEREST BY THE TRUSTEE ON THE NOTES AND CERTAIN OTHER MATTERS.

IT IS NOT EXHAUSTIVE AND, IN PARTICULAR, DOES NOT DEAL WITH THE POSITION OF CERTAIN CLASSES OF HOLDERS OF NOTES (INCLUDING, WITHOUT LIMITATION, AUSTRALIAN RESIDENTS, NON-RESIDENTS THAT HOLD THE NOTES THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA, DEALERS IN NOTES OR CUSTODIANS OR THIRD PARTIES THAT HOLD THE NOTES ON BEHALF OF ANY PERSON).

THE FOLLOWING SUMMARY IS A GENERAL GUIDE AND SHOULD BE TREATED WITH APPROPRIATE CAUTION. IT IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED AS, LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER. PROSPECTIVE HOLDERS SHOULD BE AWARE THAT THE PARTICULAR TERMS OF ISSUE OF ANY SERIES OF NOTES MAY AFFECT THE TAX TREATMENT OF THAT AND OTHER SERIES OF NOTES. HOLDERS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

### 11.1 Australian Interest Withholding Tax (IWT)

Generally, payments of principal and interest on the Notes made by the Trustee to a Holder that is not a resident of Australia for Australian tax purposes (a Non-Resident) (other than one deriving the interest in carrying on business in Australia at or through a permanent establishment in Australia) will not be subject to Australian taxes or duties other than IWT at a rate of 10% of the amount of an interest payment. However, IWT will not be payable if an exemption applies.

For IWT purposes, "interest" is defined to include amounts in the nature of, or paid in substitution for, interest and certain other amounts. Any premium or issue discount would be interest for these purposes.

There are also specific rules that can apply to treat a portion of the purchase price of the Notes as interest for IWT purposes when Notes that are originally issued at a discount, or with a maturity premium, or which do not pay interest at least annually, are sold by a Non-Resident (other than one holding the Notes as part of a business carried on by it at or through a permanent establishment in Australia) to:

- a resident of Australia for Australian tax purposes (a Resident) that does not acquire them in carrying on business at or through a permanent establishment in a country outside Australia; or
- a Non-Resident that acquires them in carrying on business in Australia at or through a permanent establishment in Australia.

***Exemption from IWT under section 128F of the Australian Tax Act (section 128F)***

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Interest on the Notes will be exempt from IWT if the requirements of section 128F are satisfied in relation to those Notes.

The Trust Manager proposes to direct the Trustee to issue the Class A Notes in a manner that will satisfy that exemption.

The Class B Notes will not be issued in a manner that will satisfy the exemption in section 128F of the ITAA 1936, and so interest withholding tax may be deducted on payments of interest in respect of such Notes to any person who is a Non-Resident (unless derived by that Non-Resident in carrying on business at or through a permanent establishment in Australia), or to any person who is a resident which derives the interest income at or through a permanent establishment outside Australia, unless another exemption applies (e.g. under an applicable tax treaty).

The exemption from IWT available under section 128F is not intended to apply to related party loans. In particular, in order for that exemption to apply, the Trustee must not have known or had reasonable grounds to suspect, at the time of their issue, that any of the Notes, or an interest in the Notes, were being or would later be acquired either directly or indirectly by 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 Notes, or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme (as defined in the Corporations Act)).

In addition, the exemption from IWT available under section 128F will not apply if, at the time of an interest payment in respect of a Note, the Trustee knew or had reasonable grounds to suspect that the recipient of the payment was an Offshore Associate of the Trustee (other than one receiving the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (as defined in the Corporations Act)).

For these purposes, an **Offshore Associate** means an associate (as defined in section 128F) of the Trustee that is either:

- a Non-Resident that does not acquire the Notes and does not receive all payments under them in carrying on business in Australia at or through a permanent establishment in Australia; or
- a Resident that acquires the Notes and receives payments under them in carrying on business at or through a permanent establishment in a country outside Australia.

Where, as in this case, the Trustee is a trustee of a trust, the entities that are associates of the Trustee for the purposes of section 128F include:

- (a) any entity that benefits, or is capable of benefiting, under the trust (Beneficiary), either directly or through any interposed entities; and
- (b) any entity that is an associate of a Beneficiary. An associate of a Beneficiary for these purposes includes an entity which controls or is controlled by the Beneficiary and any trusts under which those entities benefit.

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Accordingly, if you are an Offshore Associate of the Trustee, you should not acquire any of the Class A Notes.

## ***Payment of additional amounts***

If the Trustee is at any time required to withhold taxes on payments of interest on any of the Notes, the Trustee is not obliged to pay any additional amounts in respect of such withholding or deduction.

## **11.2 Withholding for failure to provide Tax File Number (TFN)**

The Trustee is required to deduct and withhold tax from payments of interest on the Notes at a rate of 47%, unless a TFN or, in certain circumstances, an ABN, has been provided to the Trustee by the Holder, or the Holder has supplied the Trustee with proof of some other relevant exemption.

Provided that the requirements of section 128F have been satisfied with respect to the Class A Notes, these withholding rules will not apply to payments to Holders that are Non-Residents who do not hold the Class A Notes in carrying on business in Australia at or through a permanent establishment in Australia.

If the Trustee is at any time required to withhold taxes on payments of interest on any of the Notes, the Trustee is not obliged to pay any additional amounts in respect of such withholding or deduction.

## **11.3 Other Australian withholding taxes**

### ***Non-resident withholding tax***

Under section 12-315 of Schedule 1 to the Taxation Administration Act 1953 (Cth) (**TAA**), regulations may be made that require amounts to be withheld on account of tax liabilities of Non-Residents from certain payments that are made by an Australian entity to such Non-Residents.

These rules do not currently apply to payments in relation to the Notes by the Trustee. However, the possible application of any future regulations to payments received by Non-Residents in respect of the Notes will need to be monitored.

### ***No ABN withholding tax***

Payments in respect of the Notes will be able to be made free and clear of the “no ABN withholding tax” imposed under section 12-190 of Schedule 1 to the TAA.

## **11.4 Other Australian Tax Matters**

### ***Gains on disposal of Notes by Non-Residents***

Non-Residents that have never held their Notes in the course of carrying on business at or through a permanent establishment within Australia will not be subject to Australian income tax on gains realised by them on the sale or redemption of the Notes provided that such gains do not have an Australian source. A gain arising on the sale of Notes by a Non-Resident Holder to another Non-Resident where the Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not generally be regarded as having an Australian source.

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## ***Garnishee directions***

The Commissioner of Taxation for Australia may give a direction under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 to the TAA or any similar provision requiring the Trustee to deduct or withhold from any payment to any other party (including any Holder) any amount in respect of tax payable by that other party. If the Trustee is served with such a direction, the Trustee intends to comply with that direction and make any deduction or withholding required by that direction.

## ***Goods and services tax (GST)***

Neither the issue, nor the receipt, of the Notes will give rise to a liability for GST in Australia on the basis that the supply of the Notes will comprise either an “input taxed financial supply” or (in the case of a supply to a Non-Resident Holder outside the “indirect tax zone” at the time of supply) a “GST-free supply”. Furthermore, neither the payment of principal or interest by the Trustee, nor the disposal or redemption of the Notes, should give rise to any GST liability in Australia.

Where the acquisition or transfer of the Notes results in the Holder making an “input taxed financial supply”, the Holder may be restricted in their ability to claim input taxed credits for any GST they have incurred on costs related to the acquisition or transfer of the Notes. The Holders should seek their own tax advice in this regard.

## ***Estate duties***

No Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death.

## ***Stamp duties***

No ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Notes.

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## 12. Selling Restrictions

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### 12.1 Selling Restrictions - General

Each Dealer represents, warrants and agrees that it will:

- (a) observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Class A Notes; and
- (b) not directly or indirectly offer, sell, resell, re-offer or deliver Class A Notes or distribute this 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.

Each Dealer will only have an allocation for Class A Notes under the Dealer Agreement.

### 12.2 Australia

#### *Selling Restrictions*

Each Dealer acknowledges that:

- (a) no information memorandum, offering circular, prospectus or other disclosure document in relation to any Class A Notes has been lodged with, or registered by, ASIC; and
- (b) none of the Trustee, the Trust Manager or the Approved Seller has or will take any action or seek any authorisation to enable the offer or sale of any Class A Notes, or the distribution of this Information Memorandum or Offer Material in any other jurisdiction.

Each Dealer represents and agrees that it (directly or indirectly):

- (a) has not offered for issue or sale, invited applications for the issue of, invited applications for offers to purchase, or sold, any Class A Notes and will not do so; and
- (b) has not distributed and will not distribute any draft, preliminary or definitive Information Memorandum or any Offer Material that was or is received in the Commonwealth of Australia, its territories or possessions,

unless:

- (c) the amount payable on acceptance of the offer by each offeree or invitee for the Class A Notes is a minimum amount (disregarding amounts, if any, lent by the Trustee or other person offering the Class A Notes or an associate (as defined in Division 2 of Part 1.2 of the Corporations Act 2001 (Cth) of either of them) of A\$500,000 or the offer or invitation is otherwise an offer or invitation for which no disclosure is required to be made under Part 6D.2 or 7.9 of the Corporations Act 2001 (Cth) and the Corporations Regulations made under the Corporations Act 2001 (Cth); and
- (d) the offer or invitation is not made to a "retail client" within the meaning of section 761 of the Corporations Act; and



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- (e) the offer, invitation or distribution complies with all applicable laws and regulations in relation to the offer, invitation or distribution.

## **Section 128F**

- (a) Each Dealer acknowledges that:
  - (i) no information memorandum, offering circular, prospectus or other disclosure document in relation to any Notes has been lodged with the Australian Securities and Investments Commission; and
  - (ii) none of the Trustee, the Trust Manager or the Approved Seller has or will take any action or seek any authorisation to enable the offer or sale of any Notes, or the distribution of this Information Memorandum or Offer Material, in any other jurisdiction.
- (b) Each Dealer undertakes:
  - (i) to offer the Class A Notes for sale within 30 days of the launch date for offering the Class A Notes to:
    - (A) 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 its employees in relation to a sale 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 relevant Class A 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 relevant Class A Notes; and
  - (ii) that it shall not:
    - (A) offer the Class A Notes to a person actually known, or reasonably suspected, by the employees of the Dealer acting in relation to the sale, to be an Offshore Associate of the Trustee; and
    - (B) sell any Class A Notes to any person if, at the time of such sale, its employees in relation to a sale know or have reasonable grounds to suspect that the Class A Notes, or an interest in the Class A Notes, will be acquired by an Offshore Associate of the Trustee, other than an Offshore Associate in the capacity of a dealer, manager or underwriter in relation to the placement of the Class A Notes, or in the

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capacity of a clearing house, custodian, funds manager or responsible entity of an Australian registered scheme.

For the avoidance of doubt, if any employee of a Dealer acting in relation to the sale, does not know or have reasonable grounds to suspect that a person is an Offshore Associate of the Trustee, nothing referred to in this section 12.2(b)(ii) obliges the Dealer to make positive enquiries of that person to confirm that such person is not an Offshore Associate of the Trustee.

## 12.3 United States

The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, delivered, transferred, encumbered or otherwise disposed of (directly or indirectly) at any time, within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act. In addition, the Notes have not been and will not be sold in the United States or to U.S. persons. Terms used in this section 12.3 and not otherwise defined in this Information Memorandum have the meanings given to them by Regulation S under the Securities Act.

Each Dealer represents, warrants and agrees that it will not offer, sell, deliver, transfer, encumber or otherwise dispose of (directly or indirectly), the Notes within the United States or to, or for the account or benefit of, U.S. persons:

- (a) as part of its distribution at any time; or
- (b) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Closing Date.

Each Dealer represents, warrants and agrees 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 with respect to the Notes, and the Dealer, its affiliates and all persons acting on its or their behalf have complied and will comply with the offering restriction requirements of Regulation S.

Each Dealer also represents, warrants and agrees that, at or prior to confirmation of sale of the Notes, the Dealer 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 distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulation authority of any state or other jurisdiction of the United States of America and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date. Terms used above have the meanings given to them by Regulation S under the Securities Act."

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In addition, until 40 days after the later of the commencement of the offering of the Notes and the Closing Date, any offer, sale, or offer and 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.

## 12.4 United Kingdom

### ***UK PRIIPs Regulation***

Each Dealer represents, warrants and agrees that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes 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 the domestic law of the UK by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, in the UK, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or
  - (iii) not a qualified investor as defined in the UK Prospectus Regulation; and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### ***General***

Each Dealer represents, warrants and agrees that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Trustee; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## 12.5 European Economic Area

### ***EU PRIIPs Regulation***

Each Dealer represents, warrants and agrees that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For these purposes:

- (a) 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 **MiFID II**; or

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- (ii) a customer within the meaning of 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 the EU Prospectus Regulation; and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

## 12.6 Hong Kong

The Dealer represents, warrants and agrees that:

- (a) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), by means of any document, any 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 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 excluding any rules made under the SFO.

## 12.7 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the **FIEA**) and, accordingly, none of the Notes, nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the account or benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan, or to or for the account or benefit of, any Japanese Person except pursuant to an exemption from registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ordinances promulgated by the relevant Japanese government and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" means any person resident in Japan or a juridical person having its main office in Japan as defined in Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949, as amended), including any corporation having its principal

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office in or other entity organised under the laws of Japan. Any branch or office in Japan of a non-resident will be deemed to be a resident for the purpose whether such branch or office has the power to represent such non-resident.

## 12.8 New Zealand

The Dealer acknowledges that the Trustee does not intend that the Notes should be offered to any retail investor or otherwise under any regulated offer in terms of the Financial Markets Conduct Act 2013 of New Zealand (**NZ FMCA**). Accordingly, no product disclosure statement under the NZ FMCA has been prepared, lodged or registered in New Zealand.

The Dealer has represented, warranted and agreed that it has not made any offer of the Notes in New Zealand that would require disclosure to investors under Part 3 of the NZ FMCA. The Dealer has agreed it will not offer, sell or deliver Notes in New Zealand, or distribute or publish in New Zealand any offering material or advertisement in relation to any offer of Notes, other than to a wholesale investor within the meaning of clause 3(2)(a), (c) or (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, provided (for the avoidance of doubt) that the Notes may not be offered or transferred to any "eligible investor" (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.

## 12.9 Singapore

The Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Dealer has represented, warranted and agreed, that it has not offered or sold any Notes or 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 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 any Notes, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act) pursuant to Section 274 of the Securities and Futures Act; or
- (b) to an accredited investor (as defined in Section 4A of the Securities and Futures Act) pursuant to and in accordance with the conditions specified in Section 275 of the Securities and Futures Act.

Any reference to the Securities and Futures Act is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the Securities and

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

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## **13. Transaction Documents**

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Copies of each of the Transaction Documents will be available for inspection by the Noteholders and persons intending to acquire Notes during the ordinary business hours in electronic or other form determined by the Trust Manager on request. However, any person wishing to inspect those Transaction Documents must first agree to confidentiality arrangements with respect to such information on terms acceptable to Westpac and the Trust Manager (as applicable).

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## 14. Glossary of Terms

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**A\$**

means Australian dollars

***Accrued Interest Adjustment***

means, in relation to the Approved Seller, all:

- (a) interest and fees accrued on the Housing Loans up to (but excluding) the Closing Date for those Housing Loans which are unpaid as at the close of business on the Closing Date; and
- (b) all amounts received by the Approved Seller under the Housing Loans applied by the Servicer to payment of interest and fees under the Housing Loans for the period from (but excluding) the Cut-Off Date to (but excluding) the Closing Date,

but without double counting or recovery for any such amounts

***Adjustment Spread***

means the adjustment spread as at the Adjustment Spread Fixing Date (which may be a positive or negative value or zero and determined pursuant to a formula or methodology) that is:

- (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 paragraph (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



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Trust Manager) acting in good faith and in a commercially reasonable manner

**Adjustment Spread Fixing Date** means the first date on which a Permanent Discontinuation Trigger occurs with respect to the BBSW Rate

**Administrator** means:

- (a) in respect of the BBSW Rate, ASX Benchmarks Limited (ABN 38 616 075 417) as published by Refinitiv;
- (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

**Administrator Recommended Rate** means the rate formally recommended for use as the replacement for the BBSW Rate by the Administrator of the BBSW Rate at any time after a Permanent Fallback Effective Date

**Adverse Effect** means an event which will materially and adversely affect:

- (a) the amount of any payment to be made to any Class A Noteholder or the timing of such payment, for so long as any Class A Note is outstanding; or
- (b) otherwise, the amount of any payment to be made to any Class B Noteholder or the timing of such payment

**Annual Reset** means the last day of the Collection Period ending February each year, commencing on 4 February 2025

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

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

**Applicable Benchmark Rate** means 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

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**Approved Auditor**

applicable at such time in accordance with clause 4.10 of the Series Notice, as generally described in section 3.47

means a firm of chartered accountants some of whose members are registered company auditors (which firm may be the Auditor) and whose terms of appointment have been agreed by the Approved Seller (that agreement not to be unreasonably withheld)

**Approved Bank**

means a bank which has:

- (a) a long term rating of at least BBB from S&P Global Ratings; and
- (b) a short term rating of at least F1 from Fitch Ratings or a long term credit rating of at least A from Fitch Ratings,

but means Westpac Banking Corporation for so long as it has:

- (i) a long term rating of BBB or better from S&P Global Ratings; and
- (ii) a short term rating of F1 or better from Fitch Ratings or a long term rating of at least A from Fitch Ratings,

or in each case such other rating in respect of which the Trust Manager has given a Rating Notification.

**Approved Seller**

means Westpac

**APRA**

the Australian Prudential Regulation Authority

**Arrears**

subsist in relation to a Housing Loan if the relevant Borrower fails to pay any amount due on the day it was due. Delayed payments arising from agreed payment holidays based on early repayments, or from maternity or paternity leave repayment reductions will not, by themselves, lead to a Housing Loan being in Arrears

**ASIC**

the Australian Securities and Investment Commission

**ASX**

means ASX Limited ABN 98 008 624 691

**Auditor**

means the auditor of the Trust appointed from time to time

**Austraclear**

means Austraclear Limited (ABN 94 002 060 773)

**Austraclear System**

means the system operated by Austraclear for holding certain Australian dollar securities and the electronic recording and settling of transactions in those securities between members of that system in accordance with the Regulations and Operating Manual established by

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Austraclear (as amended or replaced from time to time) to govern the use of the that system

## ***Authorised Investments***

means any investments which at their date of acquisition are:

- (a) cash deposited in an interest bearing account in the name of the Trustee with an Approved Bank; or
- (b) certificates of deposit issued by an Approved Bank and provided such investments must:
  - (i) have:
    - (A) a short term rating of A-1+ by S&P Global Ratings or a long term rating of AAA by S&P Global Ratings;
    - (B) a credit rating by Fitch Ratings as follows:
      - (1) for certificates of deposits whose remaining maturities at the time of purchase are less than or equal to 30 days, a short term rating by Fitch Ratings of at least F1 or a long term rating by Fitch Ratings of at least A; and
      - (2) for certificates of deposits whose remaining maturities at the time of purchase are more than 30 days but less than or equal to 365 days, a short term rating by Fitch Ratings of at least F1+ or a long term rating by Fitch Ratings of at least AA-,  
  
or such other credit ratings by the Rating Agency as may be notified by the Trust Manager to the Trustee from time to time provided that the Trust Manager has delivered a Rating Notification in respect of such other credit ratings;
  - (ii) mature on or prior to the next date on which the proceeds from such Authorised

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Investments will be required to be applied in accordance with section 7;

(iii) are denominated in Australian dollars; and

(iv) are held in the name of the Trustee,

in each case which do not constitute a securitisation exposure or a resecuritisation exposure (as defined in Prudential Standard APS 120 issued by the Australian Prudential Regulation Authority, including any amendment or replacement of that Prudential Standard).

In addition, in relation to paragraph (b) of this definition, **Authorised Investments** are further restricted so as to ensure that the Notes will at all times constitute mortgage-backed securities for the purposes of the Duties Act 1997 of New South Wales (if applicable)

**Available Income**

see section 7.4

**Available Liquidity Amount**

see section 8.1(b)

**Available Redraw Amount**

means at any time the amount, if positive, equal to:

- (a) the Redraw Limit at that time; minus
- (b) the Principal Outstanding at that time; minus
- (c) the Carryover Redraw Charge Offs at that time

**Bank**

means a corporation authorised under the Banking Act 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

**Banking Act**

means the Banking Act 1959

**Basis Swap**

means the Transaction (as defined in the ISDA Master Agreement) between Westpac, the Trustee and the Trust Manager, which states that it is the Basis Swap for the purposes of the Series Notice

**BBSW**

means the Australian dollar mid-rate benchmark for prime bank eligible securities (known as the Australian Bank Bill Swap Rate or BBSW)

**BBSW Rate**

means, for an Interest Determination Date, 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 Coupon Period is longer than 1 month, the BBSW Rate for the first

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Coupon 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 Coupon 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 Coupon 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,

as further described in section 3.47

***Beneficiary***

see section 9.3

***Bloomberg***

means Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time), as the provider of term adjusted AONIA and the spread

***Bloomberg Adjustment Spread***

means the term adjusted AONIA spread relating to the BBSW Rate provided by Bloomberg, on the Fallback Rate (AONIA) Screen (or by other means) or provided to, and published by, authorised distributors

***Borrower***

means the borrower under a Housing Loan

***Business Day***

means any day, other than a Saturday, Sunday or public holiday, on which banks are open for business in Sydney

***Carryover Charge Off***

means, in relation to a Note or the Principal Outstanding (as the case may be) and at any time, a Carryover Class A Charge Off, a Carryover Class B Charge Off or a Carryover Redraw Charge Off as at that time

***Carryover Class A Charge Off***

means, in relation to a Class A Note and at any time, the aggregate of Class A Charge Offs in relation to that Class A Note made prior to that time and which have not previously been reinstated under section 7.7(d)(iii)(B)

***Carryover Class B Charge Off***

means, in relation to a Class B Note and at any time, the aggregate of Class B Charge Offs in relation to that Class B Note made prior to that time and which have not previously been reinstated under section 7.7(d)(v)

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<b><i>Carryover Redraw Charge Off</i></b>	means, at any time, the aggregate of Redraw Charge Offs made prior to that time and which have not previously been reinstated under section 7.7(d)(iii)(A)
<b><i>Class</i></b>	means Notes having the same rights and restrictions. For the purpose of voting in respect of Notes, the Voting Noteholders constitute a "Class"
<b><i>Class A Charge Off</i></b>	means, in relation to a Class A Note, the amount of any reduction in the Stated Amount for that Note under section 7.10(c)(ii)(A)
<b><i>Class A Coupon</i></b>	means, in relation to a Coupon Period, all interest accrued on the Class A Notes in respect of that Coupon Period in accordance with section 4.2(c), and for the purposes of section 7.7(a) includes any amount payable by the Trustee to the relevant Class A Noteholder (in that capacity) by way of damages or penalties
<b><i>Class A Note</i></b>	means a note issued by the Trustee as a Class A Note under the Transaction Documents and will only include New Class A Notes if the New Class A Notes have been issued in accordance with section 4.5(a)(ii)(A)
<b><i>Class A Noteholder</i></b>	means a Noteholder of a Class A Note
<b><i>Class A Proportion</i></b>	means, at any time, the proportion, expressed as a percentage, which the aggregate Invested Amount of the Class A Notes at that time bears to the aggregate Invested Amount of all Notes at that time
<b><i>Class B Charge Off</i></b>	means, in relation to a Class B Note, the amount of any reduction in the Stated Amount for that Note under section 7.10(c)(i)
<b><i>Class B Coupon</i></b>	means, in relation to a Coupon Period, all interest accrued on the Class B Notes in respect of that Coupon Period in accordance with section 4.2(c), and for the purposes of section 7.7(d) includes any amount payable by the Trustee to the relevant Class B Noteholder (in that capacity) by way of damages or penalties
<b><i>Class B Note</i></b>	means a note issued by the Trustee as a Class B Note under the Transaction Documents
<b><i>Class B Noteholder</i></b>	means a Noteholder of a Class B Note
<b><i>Class B Proportion</i></b>	means, at any time, the proportion, expressed as a percentage, which the aggregate Invested Amount of the Class B Notes at that time bears to the aggregate Invested Amount of all Notes at that time

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<b>Clean-Up Call Option Date</b>	means the Payment Date after the end of the first Collection Period in which the aggregate Housing Loan Principal of all of the Housing Loans is less than 10% of the aggregate Housing Loan Principal of all Housing Loans as at the Cut-Off Date
<b>Closing Date</b>	means 5 February 2024
<b>Collateral Account</b>	see section 8.1(d)
<b>Collection Account</b>	means the Australian dollar account, with Westpac specified in the Series Notice, or any other account opened and maintained by the Trustee with an Approved Bank under clause 27 of the Trust Deed
<b>Collection Period</b>	means each period commencing on (and including) the 5th day of each calendar month and ending on (and including) the 4th day of the next calendar month However: <ul style="list-style-type: none"><li>(a) the first Collection Period commences on (and includes) the next day after the Cut-Off Date and ends on (and includes) 4 March 2024; and</li><li>(b) the last Collection Period commences on (but excludes) the last day of the previous Collection Period and ends on (and includes) the Termination Date of the Trust</li></ul>
<b>Collections</b>	means, in relation to a period, Finance Charge Collections and Gross Principal Collections for that period
<b>Compounded Daily AONIA</b>	means, in respect of an Interest Determination Date, the rate which is the rate of return of a daily compound interest investment, calculated in accordance with the formula below: $\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{AONIA_{i-5BD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$ where: <ul style="list-style-type: none"><li><b>d</b> means the number of calendar days in the relevant Coupon Period;</li><li><b>d<sub>0</sub></b> means the number of Business Days in the Coupon Period;</li><li><b>AONIA<sub>i-5BD</sub></b> means the per annum rate expressed as a decimal which is the level of AONIA provided by</li></ul>

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the Administrator and published as of the Publication Time for the Business Day falling five Business Days prior to such Business Day “*i*”;

*i* is a series of whole numbers from 1 to  $d_0$ , each representing the relevant Business Day in chronological order from (and including) the first Business Day in the relevant Coupon Period to (and including) the last Business Day in such Coupon 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 a Coupon Period, Compounded Daily AONIA is to be determined as if that period were a Coupon 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 National Consumer Credit Protection Act 2009 (Cth), including the Schedules to it;
- (b) the National Consumer Credit Protection (Fees) Act 2009 (Cth);
- (c) the National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 (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



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- (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

**Corporations Act**

means the Corporations Act 2001 (Cth)

**Coupon**

means a Class A Coupon or a Class B Coupon

**Coupon Period**

means, for each Class, each period as follows:

- (a) the first Coupon Period commences on (and includes) the Closing Date and ends on (and includes) the day immediately before the first Payment Date; and
- (b) each succeeding Coupon Period commences on (and includes) a Payment Date and ends on (and includes) the day immediately before the next Payment Date; and
- (c) the last Coupon Period for a Class ends on (and excludes) the day on which all amounts due on the Notes of that Class are redeemed in full in accordance with the Transaction Documents

**Coupon Rate**

means:

- (a) subject to paragraph (b), for each Class of Notes, any Coupon Period commencing before the Margin Step-Up Date for that Class of Note, the BBSW Rate (or any applicable Fallback Rate) determined on the relevant Interest Determination Date plus the relevant Margin; and
- (b) for the Class A Notes, in relation to any Coupon Period commencing on or after the Margin Step-Up Date for the Class A Notes, the BBSW Rate (or any applicable Fallback Rate) determined on the relevant Interest Determination Date plus the relevant Margin plus the relevant Step-Up Margin,

provided that if such rate would be less than zero it shall be taken to be zero

**Custodian**

means Westpac

**Cut-Off Date**

see section 2.3

**Date-Based Call Option Date**

means 21 November 2031

**Dealer**

means Westpac

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<b><i>Dealer Agreement</i></b>	means the Dealer Agreement dated 1 February 2024 made between Westpac, the Trustee and the Trust Manager
<b><i>Defaulting Party</i></b>	has the meaning given in the ISDA Agreement
<b><i>Determined Loss</i></b>	means, in relation to a Housing Loan and a Collection Period, any amount for that Housing Loan which: <ul style="list-style-type: none"><li>(a) the Servicer has determined, in its ordinary course of business and in accordance with its then applicable policies and procedures, is unrecoverable and has written off against that Housing Loan for that Collection Period;</li><li>(b) the Servicer notifies the Trust Manager is an amount the Servicer is treating as unrecoverable and written off for that Housing Loan for that Collection Period under paragraph (a); and</li><li>(c) the Trust Manager determines, following notification from the Servicer in accordance with paragraph (b) of this definition, should be treated as a Determined Loss for that Housing Loan for that Collection Period</li></ul>
<b><i>Determination Date</i></b>	means, in relation to a Collection Period, the date which is four Business Days prior to the Payment Date following the end of that Collection Period
<b><i>EEA</i></b>	means the European Economic Area
<b><i>Eligibility Criteria</i></b>	means the criteria set out in section 6.1(a)
<b><i>Eligible Servicer</i></b>	see section 3.9
<b><i>Enforcement Expenses</i></b>	means the costs and expenses incurred by Westpac or the Servicer in connection with the enforcement of any Housing Loan or the related Receivable Rights referred to in the Servicing Agreement
<b><i>EU</i></b>	means the European Union
<b><i>EU Affected Investors</i></b>	means EU Institutional Investors, together with certain consolidated affiliates, wherever established or located, of institutions regulated under the EU CRR pursuant to Article 14 of the EU CRR
<b><i>EU CRR</i></b>	means Regulation (EU) No 575/2013, as amended
<b><i>EU Institutional Investor</i></b>	has the meaning given in section 1.17
<b><i>EU Investor Requirements</i></b>	has the meaning given in section 3.43
<b><i>EU Prospectus Regulation</i></b>	means Regulation (EU) 2017/1129, as amended

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<b><i>EU Retention</i></b>	has the meaning given in section 3.43
<b><i>EU Securitisation Regulation</i></b>	means Regulation (EU) 2017/2402, as amended
<b><i>EU Securitisation Regulation Rules</i></b>	means the EU Securitisation Regulation, together with any implementing regulation, technical standards and official guidance related thereto, in each case as amended, varied or substituted from time to time
<b><i>EUWA</i></b>	means the European Union (Withdrawal) Act 2018, as amended
<b><i>Event of Default</i></b>	see section 10.3
<b><i>Excess Available Income</i></b>	means, for a Collection Period, the amount (if any) by which the Total Available Funds for the Collection Period exceeds the Total Payments for the Collection Period
<b><i>Excess Collections Distribution</i></b>	means, in relation to a Collection Period, the amount (if any) by which the Excess Available Income for that Collection Period exceeds the amounts applied under section 7.7(d) on the Determination Date relating to that Collection Period
<b><i>Expenses</i></b>	means the costs, charges and expenses incurred by the Trustee or the Trust Manager in the administration or operation of the Trust under the Transaction Documents, but excluding general overhead costs and expenses (such as rent and employment costs)
<b><i>Extraordinary Resolution</i></b>	means in relation to the Noteholders of the Trust or any Class, subject to the provisions of any Security Trust Deed in respect of the Trust:  (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 Trust Deed by a majority consisting of not less than 75% of the votes able to be cast by Noteholders (cast by show of hands or poll, as the case may be); or  (b) a resolution in writing signed by all the Noteholders of the Trust or Class
<b><i>Fair Market Value</i></b>	means in relation to a Housing Loan and the related Receivable Rights, the fair market value of that Housing Loan and those Receivable Rights as agreed by the Trustee and the Approved Seller on a basis of valuation agreed by an Approved Auditor in all cases as reflecting the status of the Housing Loan as a performing or non-performing Housing Loan (as determined by the Servicer)

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and any benefit in respect of that Housing Loan which the intended purchaser will have under any relevant Support Facility

## ***Fallback Rate***

means, in respect of a Permanent Discontinuation Fallback for an Applicable Benchmark Rate, the rate that applies to replace that Applicable Benchmark Rate in accordance with the definition of Permanent Discontinuation Fallback.

When calculating interest in circumstances where a Fallback Rate other than the Final Fallback Rate applies, that interest will be calculated as if references to the 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

## ***Fallback Rate (AONIA) Screen***

means 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)

## ***FATCA***

means the Foreign Account Tax Compliance provisions, as enacted in the HIRE Act (often referred to as FATCA) sections 1471 through 1474 of the United States Internal Revenue Code (or any consolidation, amendment, re-enactment or replacement of those provisions and including any regulations or official interpretations issued, agreements entered into or non-US laws enacted with respect to those provisions)

## ***Final Fallback Rate***

means, 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

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(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) 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***

see section 7.4(a)

***Finance Charge Loss***

means, for a Collection Period, the amount of all Liquidation Losses referred to in section 7.10(a)(i)

***Fitch Ratings***

means Fitch Australia Pty Limited

***Fitch Highly Rated Thresholds***

will not apply unless (and until) the Liquidity Facility Provider or the Swap Provider (as applicable) notifies the Trustee and the Trust Manager (with a copy to Fitch Ratings) that the Fitch Highly Rated Thresholds are to apply. The Fitch Highly Rated Thresholds will continue to apply from the date of notice until the Liquidity Facility Provider or the Swap Provider (as applicable) notifies the Trustee and the Trust Manager (with a copy to Fitch Ratings) that the Fitch Highly Rated Thresholds are not to apply. For the avoidance of doubt, if the Fitch Highly Rated Thresholds apply, the Fitch Highly Rated Thresholds will not cease to apply at any time merely because the rating of the Liquidity Facility Provider or the Swap Provider (as applicable) has fallen below the Minimum Fitch Highly Rated Counterparty Rating at that time

***Further Advance***

means in relation to any Collection Period, an amount provided to a Borrower by the Approved Seller under a Housing Loan in that Collection Period which increases the Housing Loan Principal of that Housing Loan and

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which is not a Redraw (notwithstanding that the scheduled principal balance is required to be increased by reason of the provision of that amount)

***Government Charges***

means, for any Collection Period, the aggregate of all amounts collected by Westpac (whether in its capacity as Servicer or otherwise) in respect of the Housing Loans and the related Receivable Rights representing bank accounts taxes or similar Taxes

***Gross Principal Collection***

see section 7.8(a)

***GST***

means any goods and services tax, broad based consumption tax or value added tax imposed by any government agency and includes GST as defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth)

***Hedge Agreement***

means the agreements entered into for the Basis Swap and the Interest Rate Swap

***Housing Loan***

means a loan specified in a Sale Notice (including any Redraw in respect of that loan) which has been assigned to the Trustee on acceptance of the offer contained in that Sale Notice in accordance with the Series Notice, and in which the Trustee has not ceased to have an interest (whether by sale or disposal, or extinguishment of its rights in that loan)

***Housing Loan Principal***

means, in relation to a Housing Loan, the principal amount of that Housing Loan from time to time

***Housing Loan Security***

means each Mortgage specified in a Sale Notice, unless the Trustee has ceased to have an interest in that Mortgage

***Increased Cost***

means an amount payable to:

- (a) the Liquidity Facility Provider under the increased costs provision of the Liquidity Facility; or
- (b) the Redraw Facility Provider under the increased costs provision of the Redraw Facility;

but does not include any margin, interest rate or fee payable under any Note or Support Facility, or any increase in such margin, interest rate or fee

***Increased Cost Amount***

on any Payment Date means the least of:

- (a) all Increased Costs due but unpaid on that Payment Date; and
- (b) the greater of:

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- (i) A\$0; and
- (ii) an amount equal to:
  - (A) the lesser of:
    - (1) A\$250,000; and
    - (2) 0.10% of the aggregate Housing Loan Principal on the immediately preceding Determination Date; minus
  - (B) the aggregate of all Increased Costs paid on the immediately preceding 11 Payment Dates (or, if there are fewer than 11 such Payment Dates, the aggregate of all Increased Costs paid on all preceding Payment Dates),

or such greater amount in respect of that Payment Date for which the Trust Manager has given a Rating Notification

## ***Initial Invested Amount***

means in respect of a Note, the amount stated as the Initial Invested Amount for that Note in section 2.3

## ***Interest Determination Date***

means, in respect of a Coupon 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 Coupon Period; and
- (b) otherwise, the third Business Day prior to the last day of that Coupon Period,

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

## ***Insolvency Event***

in relation to the Trustee (in its personal capacity and as trustee of the Trust), the Trust Manager, a Servicer, Westpac or the Mortgage Insurer (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:

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- (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; or
- (c) the relevant corporation 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 in relation to another trust of which it is the trustee), and for the avoidance of doubt an inability of the Trustee in its capacity as trustee of the Trust to pay its debts does not include:
- (i) the Trustee making any drawing under a Support Facility in accordance with the Transaction Documents; or
  - (ii) until the Class A Notes are repaid in full, the Trustee making any Class B Charge Off or failing to pay the full amount of any Class B Coupon; or
- (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



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assets and undertaking of the relevant corporation or any part thereof (except, in the case of the Trustee where this occurs in relation to another trust of which it is the trustee); or

- (e) anything analogous to an event referred to in paragraphs (a) to (d) (inclusive) or having substantially similar effect, occurs with respect to the relevant corporation

***Insurance Policy***

means, in relation to a Housing Loan, any fire and/or risks insurance policy or other general insurance policy in force in respect of that Housing Loan or the related Mortgaged Property

***Insurance Proceeds***

means any payments received by the designated beneficiary of an Insurance Policy

***Interest Offset Deposit Account***

means a deposit account maintained by an Obligor with Westpac in relation to a Housing Loan where the credit balance of that account is taken into account in determining the interest payable by that Obligor on the Housing Loan

***Interest Offset Amount***

in relation to an Obligor under a Housing Loan and a Collection Period, the amount by which interest payable on that Housing Loan by the Obligor is reduced because of the terms of an Interest Offset Deposit Account

***Interest Rate Swap***

means the Transaction (as defined in the ISDA Master Agreement) between Westpac, the Trustee and the Trust Manager, which states that it is the Interest Rate Swap for the purposes of the Series Notice

***Invested Amount***

means, on any day in relation to a Note, the Initial Invested Amount of that Note minus the aggregate of Principal Payments made or to be made in respect of that Note on or before that date

***ISDA Master Agreement***

means the ISDA Master Agreement (including all Schedules and Annexures) dated 1 February 2024 made between Westpac, the Trustee and the Trust Manager

***Law***

means common or customary law and any constitution, decree, judgement, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction and any present or future directive, regulation, guideline, practice, concession, request or requirement whether or not having the force of law issued by any governmental body, agency or department or any central bank or other fiscal, monetary, taxation,

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regulatory, self-regulatory or other authority or agency and includes the Banking Act

***Lead Manager***

means Westpac

***Liquidation Loss***

means, for a Collection Period in relation to a Housing Loan which is being enforced, the amount (if any) by which the Unpaid Balance of the Housing Loan (together with the Enforcement Expenses relating to the Housing Loan and the related Mortgage) exceeds the Liquidation Proceeds in relation to the Housing Loan

***Liquidation Proceeds***

means, in relation to a Housing Loan and the related Mortgage which have been or are being enforced, all amounts recovered in respect of the enforcement of the Housing Loan and the related Mortgage (but does not include the proceeds of any Mortgage Insurance Policy (if applicable))

***Liquidity Draw***

means a drawing under the Liquidity Facility

***Liquidity Facility***

means the Liquidity Facility Agreement dated 1 February 2024 between the Liquidity Facility Provider, the Trustee and the Trust Manager or the Liquidity Facility provided thereunder, as the context requires

***Liquidity Facility Provider***

means Westpac

***Liquidity Limit***

means the lesser of:

- (a) \$23,375,000;
- (b) from (and including) the Determination Date that follows the first Annual Reset, the greater of:
  - (i) \$2,337,500; and
  - (ii) 0.85% of the aggregate outstanding principal of all Performing Loans as at the last Annual Reset rounded up to the nearest whole dollar;
- (c) any other amount as agreed in writing between the Liquidity Facility Provider, the Trustee and the Trust Manager and in respect of which the Trust Manager has given a Rating Notification; and
- (d) the aggregate outstanding principal of all Performing Loans at that time,

as reduced or cancelled under the Liquidity Facility

***Liquidity Shortfall***

means, in relation to a Collection Period, the amount (if any) by which the Total Payments for the Collection

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	Period exceed the aggregate of the Available Income and any Principal Draws for the Collection Period
<b>LVR</b>	for a Housing Loan, means the Housing Loan Principal of that Housing Loan at that time, plus any other amount secured by any Mortgage for that Housing Loan including (where relevant) customer paid Mortgage Insurance Policy premiums (other than any Other Secured Liabilities owed to the Approved Seller), at the date of determination divided by the aggregate value of the Mortgaged Property (determined as at the date of origination) or the most recent valuation undertaken if later subject to the related Mortgages for that Housing Loan, expressed as a percentage
<b>Margin</b>	means, in relation to any Note, the Margin for that Note determined as set out in section 2.3, and in the case of Class A Notes means 1.05% per annum
<b>Margin Step-Up Date</b>	means, in relation to the Class A Notes, the earlier of the Date-Based Call Option Date and the Payment Date immediately following the Clean-Up Call Option Date. There is no Margin Step-Up Date for the Class B Notes
<b>Material Default</b>	for a Housing Loan, means a failure by a Borrower to pay any amount pursuant to the Housing Loan, which failure causes the Housing Loan to be in Arrears and which failure to pay continues for a period of 90 days or the occurrence of an event of default (other than a failure to pay) under that Housing Loan or related Mortgage unless the Servicer reasonably determines that such event of default is of a minor or technical nature and will not result in an Adverse Effect
<b>Maturity Date</b>	in relation to a Note, means the Maturity Date for that Note specified in section 2.3
<b>Minimum Fitch Highly Rated Counterparty Rating</b>	means, at any time, a long-term issuer default rating from Fitch Ratings of "AA-" or a short-term issuer default rating from Fitch Ratings of "F1+", or such other minimum rating agreed between the Liquidity Facility Provider and the Trust Manager in writing (as notified to the Trustee and subject to a Rating Notification being given by the Trust Manager in respect of such other rating)
<b>MiFID II</b>	means Directive 2014/65/EU, as amended
<b>Moody's</b>	Moody's Investors Service Pty Limited
<b>Mortgage</b>	for a Housing Loan, a registered (or pending registration, registrable) mortgage over land, situated in any Australian

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	jurisdiction, or an interest in a company title scheme with respect to such land, which was originally granted to the Approved Seller, and securing the repayment of the Housing Loan Principal and all other moneys payable under the Housing Loan
<b><i>Mortgage Insurance Proceeds</i></b>	means any amount received by the Trustee (or a Servicer on its behalf) under any Mortgage Insurance Policy
<b><i>Mortgage Insurance Policy</i></b>	see section 2.5
<b><i>Mortgage Insurer</i></b>	see section 2.2
<b><i>Mortgage Pool</i></b>	means all Housing Loans and related Mortgages originated by the Approved Seller and equitable title to which are held by the Trustee as trustee of the Trust from time to time
<b><i>Mortgage Shortfall</i></b>	see section 7.10(b)(iii)
<b><i>Mortgaged Property</i></b>	the land, or interest in relation to land, the subject of a Mortgage
<b><i>Mortgagee Extraordinary Resolution</i></b>	see section 10.4
<b><i>Mortgagees</i></b>	see section 10.1
<b><i>National Credit Code</i></b>	means Schedule 1 to the National Consumer Credit Protection Act 2009 (Cth)
<b><i>New Class A Notes</i></b>	see section 4.5(a)(ii)(A)
<b><i>Note</i></b>	means a Class A Note or a Class B Note
<b><i>Non-Representative</i></b>	means, 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

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	Administrator (as applicable) (howsoever described) in contracts
<b><i>Non-Resident</i></b>	means a person who is not a resident of the Commonwealth of Australia for Australian tax purposes
<b><i>Noteholder</i></b>	means, at any time in relation to a Note, the person who is registered as the holder of that Note at that time. If a Note is held in the Austraclear System, references to the Noteholder of that Note include the operator of the Austraclear System or its nominee, depository or common depository (in each case acting in accordance with the rules and regulations of the Austraclear System)
<b><i>Note Acknowledgment</i></b>	see section 4.12
<b><i>Note Transfer</i></b>	see section 4.13
<b><i>Notice of Creation of Trust</i></b>	means the Notice of Creation of Trust dated 17 October 2023 issued under the Trust Deed in relation to the Trust
<b><i>Obligor</i></b>	means, in relation to a Housing Loan, the person who is obliged to make payments with respect to that Housing Loan, whether as a principal or secondary obligation (and in the case of a Housing Loan means the person who is the account debtor under that Housing Loan), and including where the context requires, any other person obligated to make payments with respect to that Housing Loan (including any guarantor)
<b><i>Offer Material</i></b>	means any information memorandum, memorandum, prospectus (as defined in the Corporations Act 2001 (Cth)), advertisement, publication, document, material or statement (oral or written) relating to the marketing, issue or sale of the Notes, but does not include this Information Memorandum
<b><i>Offshore Associate</i></b>	means an associate (as defined in section 128F(9) of the Income Tax Assessment Act 1936 (Cth)) of the Trustee 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
<b><i>Offshore Noteholder</i></b>	means a Non-Resident Noteholder who does not acquire Notes in the course of carrying on a business at, or through, a permanent establishment in the Commonwealth of Australia or a resident of the Commonwealth of Australia who acquires the Notes in the

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	course of carrying on a business at, or through, a permanent establishment outside the Commonwealth of Australia
<b><i>Other Secured Liability</i></b>	has the meaning given in the Trust Deed
<b><i>Other Trust</i></b>	means any Trust (as defined in the Trust Deed) other than the Trust
<b><i>Payment Date</i></b>	in relation to a Note, has the meaning given in relation to that Note in section 2.3
<b><i>Payment Shortfall</i></b>	means, in relation to a Collection Period, the amount (if any) by which the Total Payments for that Collection Period exceed the Available Income for that Collection Period
<b><i>Performing Loan</i></b>	means, at any date is a Housing Loan which: <ul style="list-style-type: none"><li>(a) is not in Arrears; or</li><li>(b) at that date has been in Arrears for less than 90 consecutive days,</li></ul> and excluding any Housing Loan which is otherwise determined by the Servicer to be non-performing (having regard to the definition of that term in the Prudential Standard APS 220 Credit Risk Management).
<b><i>Permanent Discontinuation Fallback</i></b>	means, in respect of: <ul style="list-style-type: none"><li>(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:<ul style="list-style-type: none"><li>(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;</li><li>(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</li><li>(iii) if neither paragraph (i) nor paragraph (ii) above apply, the Final Fallback Rate;</li></ul></li></ul>

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- (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
- (c) the RBA Recommended Rate, that the rate for any day for which the RBA Recommended Rate is required on or after the RBA Recommended Rate Permanent Fallback Effective Date will be the Final Fallback Rate

***Permanent Discontinuation Trigger*** means, in respect of an Applicable Benchmark Rate:

- (a) a public statement or publication of information by or on behalf of the Administrator of the Applicable Benchmark Rate announcing that it has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark Rate and, in the case of the 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

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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

***Permanent Fallback Effective Date***

means, in respect of a Permanent Discontinuation Trigger for an Applicable Benchmark Rate:

- (a) in the case of paragraphs (a) and (b) of the definition of “Permanent Discontinuation Trigger”, the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is no longer published or provided;



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- (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

**PPSA** means the Personal Property Securities Act 2009 (PPSA)

**Preparation Date** see section 1.3

**Prepayment Benefit** means, on the early discharge of a Housing Loan which is a Fixed Option Home Loan or otherwise bears a fixed rate of interest (other than a Housing Loan subject to a concessionary rate of interest for 12 months or less), the amount (if any) credited to the relevant Borrower's loan account by the Approved Seller by means of a reduction in the Housing Loan Principal of that Housing Loan, in accordance with the relevant Housing Loan agreement

**Prepayment Benefit Shortfall** in relation to a Collection Period, means the amount by which the total of all Prepayment Benefits for that Collection Period exceeds the total of all Prepayment Costs for that Collection Period

**Prepayment Calculation Adjustment** in relation to a Housing Loan, means any amount credited to the Borrower by the Approved Seller under that Housing Loan to reflect an interest adjustment resulting from a change in computer systems

**Prepayment Cost** means, on the early discharge of a Housing Loan which is a Fixed Option Home Loan or otherwise bears a fixed rate of interest (other than a Housing Loan subject to a concessionary rate of interest for 12 months or less), the amount (if any) owed by the relevant Borrower and

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	collected by the Approved Seller, in accordance with the relevant Housing Loan agreement
<b><i>Prepayment Cost Surplus</i></b>	in relation to a Collection Period, the amount by which the total of all Prepayment Costs for that Collection Period exceeds the total of all Prepayment Benefits for that Collection Period
<b><i>Pricing Date</i></b>	see section 2.3
<b><i>Principal Charge Off</i></b>	see section 7.10
<b><i>Principal Collections</i></b>	means, for a Collection Period: <ul style="list-style-type: none"><li>(a) the Gross Principal Collections for that Collection Period; less</li><li>(b) any amounts allocated under section 7.9(a) in relation to that Collection Period</li></ul>
<b><i>Principal Draw</i></b>	means, for a Collection Period, the amount calculated under section 7.5 in relation to that Collection Period
<b><i>Principal Loss</i></b>	means, for a Collection Period in relation to a Housing Loan, the amount of any Liquidation Loss for that Housing Loan for that Collection Period referred to in section 7.10(a)(ii) less all Determined Losses (if any) for that Housing Loan
<b><i>Principal Outstanding</i></b>	under the Redraw Facility, means the aggregate of Redraw Advances less Carryover Redraw Charge Offs
<b><i>Principal Payment</i></b>	means each payment of or in respect of the principal amount of a Note (by way of reduction in the Invested Amount) made in accordance with the Transaction Documents
<b><i>Publication Time</i></b>	means: <ul style="list-style-type: none"><li>(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</li><li>(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</li></ul>
<b><i>Purchase Price</i></b>	see section 2.4
<b><i>Rating Agency</i></b>	means S&P Global Ratings or Fitch Ratings

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- Rating Downgrade Event*** means an event that causes the rating of any Class A Note to be downgraded or withdrawn
- Rating Notification*** in relation to an event or circumstance means that the Trust Manager has confirmed in writing to the Trustee that:
- (a) it has notified each Rating Agency of the event or circumstance; and
  - (b) the Trust Manager is satisfied in good faith that the event or circumstance is unlikely to result in a Rating Downgrade Event
- RBA Recommended Fallback Rate*** 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
- RBA Recommended Rate*** means, in respect of any relevant day (including any day “i”), the rate (inclusive of any spreads or adjustments) recommended as the replacement for AONIA by the Reserve Bank of Australia (which rate may be produced by the Reserve Bank of Australia or another administrator) and as provided by the Administrator of that rate or, if that rate is not provided by the relevant Administrator, published by an authorised distributor, in respect of that day
- Receivable Security*** in relation to a Housing Loan means the Mortgage or any guarantee securing that Housing Loan
- Receivable Rights*** means, in relation to a Housing Loan, all of the Approved Seller's or the Trustee's (as the context requires) right, title, benefit and interest (present and future) in, to, under or derived from:
- (a) that Housing Loan and the Mortgage which secures that Housing Loan;
  - (b) such of the following as relate to that Housing Loan:
    - (i) the Related Securities;
    - (ii) the Collections; and
  - (c) all moneys (present or future, actual or contingent) owing at any time by an Obligor (whether alone or with another person), and all other rights under or in connection with the Relevant Documents for that Housing Loan

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<b><i>Record Date</i></b>	means with respect to a Payment Date for any Note, 4:00pm (Sydney time) on the second Business Day before that Payment Date
<b><i>Redraw</i></b>	means an amount advanced or readvanced to a Borrower by the Approved Seller under a Housing Loan in respect of any principal prepayments previously made to the Borrower's loan account in accordance with the terms of the Borrower's Housing Loan. See section 2.8
<b><i>Redraw Advance</i></b>	means a borrowing under the Redraw Facility (see section 8.2(c))
<b><i>Redraw Charge Off</i></b>	means the amount of any reduction in the Principal Outstanding under the Redraw Facility under section 7.10(c)(ii)(B)
<b><i>Redraw Facility</i></b>	means the Redraw Facility Agreement dated 1 February 2024 made between the Redraw Facility Provider, the Trustee and the Trust Manager or the Redraw Facility provided thereunder, as the context requires
<b><i>Redraw Facility Provider</i></b>	means Westpac
<b><i>Redraw Limit</i></b>	means the lesser of: <ul style="list-style-type: none"><li>(a) \$23,375,000;</li><li>(b) from (and including) the Determination Date that follows the first Annual Reset, the greater of:<ul style="list-style-type: none"><li>(i) \$2,337,500; and</li><li>(ii) 0.85% of the aggregate outstanding principal of all Performing Loans as at the last Annual Reset rounded up to the nearest whole dollar;</li></ul></li><li>(c) any other amount as agreed in writing between the Redraw Facility Provider, the Trustee and the Trust Manager and in respect of which the Trust Manager has given a Rating Notification; and</li><li>(d) the aggregate outstanding principal of all Performing Loans at that time,</li></ul> as reduced or cancelled under the Redraw Facility
<b><i>Redraw Shortfall</i></b>	see section 8.2(c)
<b><i>Register</i></b>	see section 4.11
<b><i>Related Securities</i></b>	in relation to a Housing Loan, means: <ul style="list-style-type: none"><li>(a) any Relevant Document for that Housing Loan;</li></ul>

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- (b) any Insurance Policy or Insurance Proceeds with respect to the Housing Loan;
- (c) any Mortgage Insurance Policy or Mortgage Insurance Proceeds with respect to the Housing Loan; or
- (d) any other agreement specified as a Related Security for the Housing Loan in the Series Notice

## ***Relevant Documents***

means, with respect to a Housing Loan:

- (a) the agreement relating to that Housing Loan;
- (b) the mortgage document in relation to that Housing Loan;
- (c) the certificate of title for the Mortgaged Property secured by each Receivable Security, if any;
- (d) any amendment or replacement of such documents and any other document which is entered into by or executed in favour of the Approved Seller or Trustee (as the case may be) in connection with that Housing Loan after the Cut-Off Date; or
- (e) any other document specified as a ***Relevant Document*** in the relevant Series Notice,

in each case whether in physical or electronic form, but does not include any document or agreement which relates only to an Other Secured Liability (as that term is defined in the Trust Deed)

## ***Relevant Payment Date***

See section 4.5

## ***Remittance Date***

means, in relation to a Collection Period, the date which is two Business Days prior to the Payment Date following the end of that Collection Period

## ***Residual Capital Unit***

has the meaning given in section 9.3

## ***Residual Capital Beneficiary***

see section 2.2

## ***Residual Income Unit***

has the meaning given in section 9.3

## ***Residual Income Beneficiary***

means the holder of the Residual Income Unit from time to time

## ***S&P Global Ratings***

means S&P Global Ratings Australia Pty Limited

## ***S&P Required Ratings***

means, in respect of an entity, a long term rating by S&P Global Ratings of BBB (or above) or such other rating agreed between the Liquidity Facility Provider and the Trust Manager in writing (as notified to the Trustee and

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	subject to a Rating Notification being given by the Trust Manager in respect of such other rating)
<b><i>Sale Notice</i></b>	means the Sale Notice (as defined in the Trust Deed) which may be given by Westpac to the Trustee after the date of execution of the Series Notice and which is subsequently accepted by the Trustee
<b><i>Secured Moneys</i></b>	means 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 whatsoever under or in connection with a Transaction Document
<b><i>Securities Act</i></b>	has the meaning given in section 2.10
<b><i>Security Trust</i></b>	means the trust established under the Security Trust Deed
<b><i>Security Trust Deed</i></b>	means the Series 2024-1 WST Trust Security Trust Deed dated 1 February 2024 between the Trustee, the Security Trustee and the Trust Manager
<b><i>Security Trustee</i></b>	means BTA Institutional Services Australia Limited (ABN 48 002 916 396)
<b><i>Serial Paydown Conditions</i></b>	means, as at any Determination Date, <ul style="list-style-type: none"><li>(a) the aggregate Invested Amount of the Class B Notes is equal to or exceeds 16% of an amount equal to the aggregate Invested Amount of all Notes as at that Determination Date;</li><li>(b) the two year anniversary of the Closing Date has occurred;</li><li>(c) following the making of all applications to be made by the Trust Manager on that Determination Date as referred to in section 7.10(c), no Class A Charge Offs, Class B Charge Offs or Redraw Charge Offs will be made on the next Payment Date after that Determination Date;</li><li>(d) following the making of all applications to be made by the Trust Manager on that Determination Date as referred to in section 7.7(d), there will be no Carryover Charge Offs;</li><li>(e) the average for the immediately preceding three Collection Periods of the aggregate Housing Loan Principal of all Housing Loans which are in Arrears for more than 60 days (excluding loans granted a hardship concession by the Servicer pursuant to its policies and procedures which are</li></ul>

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now performing under agreed commercial terms after the hardship period has ended) expressed as a percentage of the aggregate Housing Loan Principal of all Housing Loans, in each case as at the end of each of those Collection Periods, is not greater than 4%; and

- (f) neither the Date-Based Call Option Date nor the Clean-Up Call Option Date has occurred

***Servicer***

see section 2.2

***Servicer Transfer Event***

see section 9.4(i)

***Servicing Agreement***

means the agreement so entitled dated 12 March 2002 (as amended) between, among others, Westpac Securities Administration Limited and the Servicer

***Series Notice***

means the Series 2024-1 WST Trust Series Notice dated 1 February 2024 between the Trustee, the Trust Manager, the Security Trustee, the Approved Seller and the Servicer

***Settlement Amount***

has the meaning given in the ISDA Master Agreement

***SFO***

means the Securities and Futures Ordinance (Cap. 571) of Hong Kong

***Stated Amount***

means, in relation to a Note and at any time, an amount equal to:

- (a) the Initial Invested Amount of that Note; less
- (b) the aggregate of all Principal Payments made before that time in respect of that Note; less
- (c) the Carryover Charge Offs in relation to that Note at that time

***Step-Up Margin***

means:

- (a) in relation to the Class A Notes, 0.25% per annum; and
- (b) in relation to the Class B Notes, not applicable

***Supervisor***

means, in respect of an Applicable Benchmark Rate, the supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or for supervising 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 for supervising the Administrator of that Applicable Benchmark Rate

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- Supervisor Recommended Rate*** means the rate formally recommended for use as the replacement for the BBSW Rate by the Supervisor of the BBSW Rate
- Support Facility*** in relation to the Trust means the following documents or the Support Facility provided under the following documents (as the context requires):
- (a) the Liquidity Facility;
  - (b) the Redraw Facility;
  - (c) each Hedge Agreement;
  - (d) each Mortgage Insurance Policy; and
  - (e) any other document or agreement which is from time to time agreed between the Trustee and the Trust Manager to be a Support Facility for the purposes of the Trust
- Support Facility Provider*** means, in relation to the Trust, any person who has entered into or agreed to make available a Support Facility (other than a Mortgage Insurance Policy) to the Trustee in relation to the Trust
- Swap Provider*** means, in relation to a Hedge Agreement, the counterparty which enters into that arrangement with the Trustee and initially means Westpac
- Tax and Taxes*** means any tax, levy, impost, deduction, charge, rate, stamp duty, financial institutions duty, bank accounts debit tax or any other tax, withholding or remittance of any nature which is now or later payable or required to be remitted to, or imposed or levied, collected or assessed by a government agency, together with any interest, penalty, charge, fee or other amount imposed or made in respect thereof
- Temporary Disruption Fallback*** means, 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;
  - (b) AONIA, that the rate for any day for which AONIA is required will be the last provided or published level of AONIA; or



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- (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)

***Temporary Disruption Trigger***

means, 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.

***Termination Date***

see section 9.6

***Threshold Rate***

see section 2.6

***Title Documents***

see section 9.5(a)

***Title Perfection Event***

means the events set out in section 9.11

***Total Available Funds***

see section 7.3

***Total Payments***

means, in relation to a Collection Period, all amounts paid or to be paid by the Trustee under section 7.7(a) in relation to that Collection Period

***Transaction Document***

means:

- (a) the Trust Deed;
- (b) the Series Notice;
- (c) the Servicing Agreement;
- (d) the Security Trust Deed;
- (e) each Note;
- (f) the Liquidity Facility;
- (g) the Redraw Facility;
- (h) each Hedge Agreement;
- (i) any other Support Facility for the Trust;

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- (j) the Dealer Agreement;
- (k) the Note Issue Direction from the Trust Manager to the Trustee dated on or about 1 February 2024;
- (l) the Notice of Creation of Trust; and
- (m) any other document or agreement which is from time to time agreed between the Trustee and the Trust Manager to be a Transaction Document for the purposes of the Trust

<b><i>Trust</i></b>	means the Series 2024-1 WST Trust constituted under the Trust Deed and the Notice of Creation of Trust
<b><i>Trust Deed</i></b>	means the Master Trust Deed dated 14 February 1997 between Westpac Securities Administration Limited and The Mortgage Company Pty Limited
<b><i>Trust Expenses</i></b>	see section 7.7(c)
<b><i>Trust Manager</i></b>	means Westpac Securitisation Management Pty Limited (ABN 73 081 709 211)
<b><i>Trustee</i></b>	means BNY Trust Company of Australia Limited (ABN 49 050 294 052)
<b><i>Trust Manager's Default</i></b>	see section 9.2(f)
<b><i>Trustee's Default</i></b>	see section 9.1(h)
<b><i>UK MiFIR</i></b>	means Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA
<b><i>UK Institutional Investor</i></b>	has the meaning given in section 1.18
<b><i>UK Investor Requirements</i></b>	has the meaning given in section 3.44
<b><i>UK PRIIPs Regulation</i></b>	means Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA
<b><i>UK Prospectus Regulation</i></b>	means Regulation (EU) 2017/1129 as it forms part of the domestic law of the UK by virtue of the EUWA
<b><i>UK Retention</i></b>	has the meaning given in section 3.44
<b><i>UK Retention Rules</i></b>	means the risk retention and due diligence rules under the UK Securitisation Regulation
<b><i>UK Securitisation Regulation</i></b>	means Regulation (EU) 2017/2402 as amended by The Securitisation (Amendment) (EU Exit) Regulation 2019 and as it forms part of the domestic laws of the UK by virtue of the EUWA
<b><i>UK Securitisation Regulation Rules</i></b>	means the UK Securitisation regulation, together with (a) all applicable binding technical standards made under the

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UK Securitisation Regulation, (b) any EU regulatory technical standards or implementing technical standards relating to the EU Securitisation Regulation (including, without limitation, such regulatory technical standards or implementing technical standards which are applicable pursuant to any transitional provisions of the EU Securitisation Regulation) forming part of the domestic law of the UK by operation of the EUWA, (c) all relevant guidance, policy statements or directions relating to the application of the UK Securitisation Regulation (or any binding technical standards) published by the Financial Conduct Authority and/or the Prudential Regulation Authority (or their successors), (d) any guidelines relating to the application of the EU Securitisation Regulation which are applicable in the UK, (e) any other relevant transitional, saving or other provision relevant to the UK Securitisation Regulation by virtue of the operation of the EUWA, and (f) any other applicable laws, acts, statutory instruments, rules, guidance or policy statements published or enacted relating to the UK Securitisation Regulation, in each case, as may be amended, supplemented or replaced, from time to time

## ***Unpaid Balance***

of a Housing Loan means the sum of:

- (a) the Housing Loan Principal of that Housing 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 Housing Loan or the related Mortgage or other rights relating to the Housing Loan

## ***Voting Mortgagee***

means:

- (a) for so long as the Secured Moneys of the Class A Noteholders and the Class B Noteholders are 75% or more of total Secured Moneys:
  - (i) the Class A Noteholders alone, until the Class A Notes have been redeemed in full in accordance with section 4.8; and
  - (ii) if the Class A Notes have been redeemed in full in accordance with section 4.8 and there are Class B Notes outstanding, the Class B Noteholders alone;
- (b) at any other time, each Mortgagee:

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- (i) which is a Noteholder in relation to the highest ranking Class of Notes then outstanding; or
- (ii) to the extent of that Mortgagee's Secured Moneys (if any) which rank as to payment senior to or pari passu with the highest ranking Class of Notes then outstanding

***Voting Noteholder***

means:

- (a) the Class A Noteholders, until the Class A Notes have been redeemed in full in accordance with section 4.8; and
- (b) if the Class A Notes have been redeemed in full in accordance with section 4.8 and there are Class B Notes outstanding, the Class B Noteholders alone

***Westpac***

means Westpac Banking Corporation

***Westpac Group***

see section 5.1

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## 15. Description of the Housing Loans as at the Cut-Off Date

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### 15.1 Description of the Housing Loans

The information in the following tables in this section 15 sets forth in summary format various details relating to the pool of Housing Loans (***Housing Loan Pool***) produced on the basis of the information available as at the Cut-Off Date. All amounts have been rounded to the nearest Australian dollar. The sum in any column may not equal the total indicated due to rounding.

The statistical information provided in the following tables may not reflect the actual pool of Housing Loans acquired by the Trustee from the Approved Seller on the Closing Date because Housing Loans in the Housing Loan Pool may be substituted with other eligible Housing Loans or additional eligible Housing Loans may be added. For example, a Housing Loan originally included in the Housing Loan Pool may be removed if it is repaid early or if it is determined that the Housing Loan does not comply with the Eligibility Criteria. As the information is provided as at the Cut-Off Date, the information relating to a Housing Loan may change after the Cut-Off Date, including as a result of actions by the Servicer and/or the Obligor. Accordingly, the following details are provided for information purposes only.

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## 15.2 Pool Statistics as at the Cut-Off Date

### Summary

Housing Loan Pool Size (\$)	\$2,749,999,999.97
Number of Housing Loans	7,773
Average Housing Loan Balance (\$)	\$353,788.76
Maximum Housing Loan Balance (\$)	\$1,663,818.61
Weighted Average Current Limit Loan to Value Ratio (LVR) (%)	63.00%
Weighted Average Current Balance LVR (Unindexed) (%)	60.34%
Weighted Average Current Balance LVR (Indexed) (%) <sup>1</sup>	57.29%
Highest Consolidated Current Balance LVR (Unindexed) (%)	94.25%
Highest Consolidated Current Balance LVR (Indexed) (%) <sup>1</sup>	93.21%
Owner Occupied (Product) (%)	74.09%
Low Doc Loans (%)	0.00%
Interest Only Loans (%)	8.02%
Weighted Average Mortgage Rate (%)	6.28%
Weighted Average Seasoning (Months)	31.32
Weighted Average Remaining Term to Maturity (Months)	320.17
Maximum Current Remaining Term to Maturity (Months)	358.51
Non-Australian Resident (%)	0.00%

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<sup>1</sup> Index Source: CoreLogic

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<b>Current Loan Balance</b>	<b>No. Of Loans</b>	<b>Current Principal Balance (\$)</b>	<b>Average Balance (\$)</b>	<b>No. Of Loans Percentage</b>	<b>Current Principal Balance Percentage</b>
< \$50,000.01	455	14,172,885	31,149	5.85%	0.52%
\$50,000.01 - \$100,000	567	42,950,858	75,751	7.29%	1.56%
\$100,000.01 - \$150,000	522	66,580,227	127,548	6.72%	2.42%
\$150,000.01 - \$200,000	578	102,158,628	176,745	7.44%	3.71%
\$200,000.01 - \$250,000	645	147,130,098	228,109	8.30%	5.35%
\$250,000.01 - \$300,000	705	194,608,234	276,040	9.07%	7.08%
\$300,000.01 - \$350,000	760	247,012,238	325,016	9.78%	8.98%
\$350,000.01 - \$400,000	767	288,158,356	375,695	9.87%	10.48%
\$400,000.01 - \$450,000	628	266,300,443	424,045	8.08%	9.68%
\$450,000.01 - \$500,000	517	245,275,537	474,421	6.65%	8.92%
\$500,000.01 - \$550,000	381	199,582,920	523,840	4.90%	7.26%
\$550,000.01 - \$600,000	320	184,312,253	575,976	4.12%	6.70%
\$600,000.01 - \$650,000	201	125,345,157	623,608	2.59%	4.56%
\$650,000.01 - \$700,000	167	112,586,621	674,171	2.15%	4.09%
\$700,000.01 - \$750,000	116	83,850,416	722,848	1.49%	3.05%
\$750,000.01 - \$800,000	107	83,048,176	776,151	1.38%	3.02%
\$800,000.01 - \$850,000	50	41,224,690	824,494	0.64%	1.50%
\$850,000.01 - \$900,000	59	51,710,317	876,446	0.76%	1.88%
\$900,000.01 - \$950,000	43	39,717,109	923,654	0.55%	1.44%
\$950,000.01 - \$1,000,000	42	41,130,993	979,309	0.54%	1.50%
\$1,000,000.01 - \$1,100,000	48	50,572,662	1,053,597	0.62%	1.84%
\$1,100,000.01 - \$1,200,000	32	36,920,157	1,153,755	0.41%	1.34%
\$1,200,000.01 - \$1,300,000	22	27,449,645	1,247,711	0.28%	1.00%
\$1,300,000.01 - \$1,400,000	21	28,394,688	1,352,128	0.27%	1.03%
\$1,400,000.01 - \$1,500,000	13	18,720,385	1,440,030	0.17%	0.68%
> \$1,500,000	7	11,086,306	1,583,758	0.09%	0.40%
<b>Grand Total</b>	<b>7,773</b>	<b>2,750,000,000</b>	<b>353,789</b>	<b>100.00%</b>	<b>100.00%</b>

## Information Memorandum

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<b>Current Loan to Value Ratio (Unindexed)</b>	<b>No. Of Loans</b>	<b>Current Principal Balance (\$)</b>	<b>Average Balance (\$)</b>	<b>No. Of Loans Percentage</b>	<b>Current Principal Balance Percentage</b>
<= 5.00%	172	5,846,639	33,992	2.21%	0.21%
05.01% - 10.00%	240	16,875,113	70,313	3.09%	0.61%
10.01% - 15.00%	188	23,942,807	127,355	2.42%	0.87%
15.01% - 20.00%	222	43,570,438	196,263	2.86%	1.58%
20.01% - 25.00%	274	63,864,860	233,083	3.53%	2.32%
25.01% - 30.00%	295	77,342,430	262,178	3.80%	2.81%
30.01% - 35.00%	322	90,416,040	280,795	4.14%	3.29%
35.01% - 40.00%	365	115,313,618	315,928	4.70%	4.19%
40.01% - 45.00%	389	138,062,602	354,917	5.00%	5.02%
45.01% - 50.00%	425	155,843,114	366,690	5.47%	5.67%
50.01% - 55.00%	457	175,772,430	384,622	5.88%	6.39%
55.01% - 60.00%	507	210,244,747	414,684	6.52%	7.65%
60.01% - 65.00%	762	302,355,731	396,792	9.80%	10.99%
65.01% - 70.00%	798	342,678,781	429,422	10.27%	12.46%
70.01% - 75.00%	776	328,456,778	423,269	9.98%	11.94%
75.01% - 80.00%	980	413,926,324	422,374	12.61%	15.05%
80.01% - 85.00%	277	105,255,092	379,982	3.56%	3.83%
85.01% - 90.00%	238	103,413,214	434,509	3.06%	3.76%
90.01% - 95.00%	86	36,819,242	428,131	1.11%	1.34%
> 95.01%	0	0	0	0.00%	0.00%
<b>Grand Total</b>	<b>7,773</b>	<b>2,750,000,000</b>	<b>353,789</b>	<b>100.00%</b>	<b>100.00%</b>



# Information Memorandum

<b>Current Loan to Value Ratio (Indexed<sup>2</sup>)</b>	<b>No. Of Loans</b>	<b>Current Principal Balance (\$)</b>	<b>Average Balance (\$)</b>	<b>No. Of Loans Percentage</b>	<b>Current Principal Balance Percentage</b>
<= 5.00%	199	6,944,674	34,898	2.56%	0.25%
05.01% - 10.00%	259	19,182,795	74,065	3.33%	0.70%
10.01% - 15.00%	205	30,384,132	148,215	2.64%	1.10%
15.01% - 20.00%	251	49,423,324	196,906	3.23%	1.80%
20.01% - 25.00%	302	69,155,056	228,990	3.89%	2.51%
25.01% - 30.00%	323	90,384,852	279,829	4.16%	3.29%
30.01% - 35.00%	353	100,151,299	283,715	4.54%	3.64%
35.01% - 40.00%	390	124,965,782	320,425	5.02%	4.54%
40.01% - 45.00%	411	141,375,687	343,980	5.29%	5.14%
45.01% - 50.00%	474	181,524,641	382,963	6.10%	6.60%
50.01% - 55.00%	483	186,167,294	385,440	6.21%	6.77%
55.01% - 60.00%	665	264,330,590	397,490	8.56%	9.61%
60.01% - 65.00%	866	358,682,536	414,183	11.14%	13.04%
65.01% - 70.00%	907	373,966,975	412,312	11.67%	13.60%
70.01% - 75.00%	883	395,848,723	448,300	11.36%	14.39%
75.01% - 80.00%	663	293,272,925	442,342	8.53%	10.66%
80.01% - 85.00%	90	41,344,473	459,383	1.16%	1.50%
85.01% - 90.00%	37	17,439,032	471,325	0.48%	0.63%
90.01% - 95.00%	12	5,455,209	454,601	0.15%	0.20%
> 95.01%	0	0	0	0.00%	0.00%
<b>Grand Total</b>	<b>7,773</b>	<b>2,750,000,000</b>	<b>353,789</b>	<b>100.00%</b>	<b>100.00%</b>

## Information Memorandum

Mortgage Rate	No. Of Loans	Current Principal Balance (\$)	Average Balance (\$)	No. Of Loans Percentage	Current Principal Balance Percentage
<= 5.500%	206	69,162,296	335,739	2.65%	2.51%
5.501% - 5.750%	211	71,192,507	337,405	2.71%	2.59%
5.751% - 6.000%	1,567	585,839,228	373,860	20.16%	21.30%
6.001% - 6.250%	2,180	855,838,317	392,586	28.05%	31.12%
6.251% - 6.500%	1,520	538,702,749	354,410	19.55%	19.59%
6.501% - 6.750%	778	269,939,161	346,966	10.01%	9.82%
6.751% - 7.000%	407	134,699,699	330,957	5.24%	4.90%
7.001% - 7.500%	628	176,656,427	281,300	8.08%	6.42%
7.501% - 8.000%	175	35,236,635	201,352	2.25%	1.28%
8.001% - 8.500%	82	10,918,602	133,154	1.05%	0.40%
>8.500%	19	1,814,379	95,494	0.24%	0.07%
<b>Grand Total</b>	<b>7,773</b>	<b>2,750,000,000</b>	<b>353,789</b>	<b>100.00%</b>	<b>100.00%</b>

Seasoning	No. Of Loans	Current Principal Balance (\$)	Average Balance (\$)	No. Of Loans Percentage	Current Principal Balance Percentage
<= 6 mths	0	0	0	0.00%	0.00%
> 6 mths and <= 12 mths	1,970	763,148,960	387,385	25.34%	27.75%
> 12 mths and <= 18 mths	1,712	644,460,039	376,437	22.02%	23.43%
> 18 mths and <= 24 mths	1,018	349,061,250	342,889	13.10%	12.69%
> 24 and <= 36 mths	765	282,979,992	369,908	9.84%	10.29%
> 36 and <= 48 mths	433	167,180,792	386,099	5.57%	6.08%
> 48 and <= 60 mths	348	107,098,788	307,755	4.48%	3.89%
> 60 and <= 72 mths	322	104,942,154	325,907	4.14%	3.82%
> 72 and <= 84 mths	288	99,930,248	346,980	3.71%	3.63%
> 84 and <= 96 mths	253	78,263,566	309,342	3.25%	2.85%
> 96 and <= 108 mths	194	58,287,384	300,450	2.50%	2.12%
> 108 and <= 120 mths	130	31,183,193	239,871	1.67%	1.13%
> 120 and <= 150 mths	171	32,849,680	192,103	2.20%	1.19%
> 150 mths	169	30,613,954	181,148	2.17%	1.11%
<b>Grand Total</b>	<b>7,773</b>	<b>2,750,000,000</b>	<b>353,789</b>	<b>100.00%</b>	<b>100.00%</b>

## Information Memorandum

<b>Payment Type</b>	<b>No. Of Loans</b>	<b>Current Principal Balance (\$)</b>	<b>Average Balance (\$)</b>	<b>No. Of Loans Percentage</b>	<b>Current Principal Balance Percentage</b>
Interest Only	556	220,628,418	396,814	7.15%	8.02%
Principal and Interest	7,217	2,529,371,582	350,474	92.85%	91.98%
<b>Grand Total</b>	<b>7,773</b>	<b>2,750,000,000</b>	<b>353,789</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Interest Rate Type</b>	<b>No. Of Loans</b>	<b>Current Principal Balance (\$)</b>	<b>Average Balance (\$)</b>	<b>No. Of Loans Percentage</b>	<b>Current Principal Balance Percentage</b>
Fixed	785	258,092,206	328,780	10.10%	9.39%
Variable	6,988	2,491,907,794	356,598	89.90%	90.61%
<b>Grand Total</b>	<b>7,773</b>	<b>2,750,000,000</b>	<b>353,789</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Mortgage Insurance</b>	<b>No. Of Loans</b>	<b>Current Principal Balance (\$)</b>	<b>Average Balance (\$)</b>	<b>No. Of Loans Percentage</b>	<b>Current Principal Balance Percentage</b>
No Insurance	6,580	2,336,015,857	355,018	84.65%	84.95%
ALMI	1,193	413,984,143	347,011	15.35%	15.05%
<b>Grand Total</b>	<b>7,773</b>	<b>2,750,000,000</b>	<b>353,789</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Property Type</b>	<b>No. Of Loans</b>	<b>Current Principal Balance (\$)</b>	<b>Average Balance (\$)</b>	<b>No. Of Loans Percentage</b>	<b>Current Principal Balance Percentage</b>
Detached House	6,329	2,257,100,107	356,628	81.42%	82.08%
Duplex	41	13,964,500	340,598	0.53%	0.51%
Semi-Detached House	29	14,963,658	515,988	0.37%	0.54%
Terrace	0	0	0	0.00%	0.00%
Townhouse	209	75,863,444	362,983	2.69%	2.76%
Unit	1,143	381,682,222	333,930	14.70%	13.88%
Villa	22	6,426,068	292,094	0.28%	0.23%
<b>Grand Total</b>	<b>7,773</b>	<b>2,750,000,000</b>	<b>353,789</b>	<b>100.00%</b>	<b>100.00%</b>

## Information Memorandum

<b>Geographic Distribution - By State</b>	<b>No. Of Loans</b>	<b>Current Principal Balance (\$)</b>	<b>Average Balance (\$)</b>	<b>No. Of Loans Percentage</b>	<b>Current Principal Balance Percentage</b>
ACT	172	64,691,551	376,114	2.21%	2.35%
NSW	1,981	804,875,780	406,298	25.49%	29.27%
NT	30	9,278,738	309,291	0.39%	0.34%
QLD	1,639	543,676,566	331,712	21.09%	19.77%
SA	550	168,893,148	307,078	7.08%	6.14%
TAS	153	43,391,793	283,606	1.97%	1.58%
VIC	2,163	779,633,761	360,441	27.83%	28.35%
WA	1,085	335,558,664	309,271	13.96%	12.20%
<b>Grand Total</b>	<b>7,773</b>	<b>2,750,000,000</b>	<b>353,789</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Geographic Distribution - By Location</b>	<b>No. Of Loans</b>	<b>Current Principal Balance (\$)</b>	<b>Average Balance (\$)</b>	<b>No. Of Loans Percentage</b>	<b>Current Principal Balance Percentage</b>
Inner City	89	27,769,175	312,013	1.14%	1.01%
Metropolitan	5,563	2,086,543,635	375,075	71.57%	75.87%
Non Metropolitan	2,121	635,687,190	299,711	27.29%	23.12%
<b>Grand Total</b>	<b>7,773</b>	<b>2,750,000,000</b>	<b>353,789</b>	<b>100.00%</b>	<b>100.00%</b>

## Information Memorandum

<b>Geographic Distribution - By State and Location</b>	<b>No. Of Loans</b>	<b>Current Principal Balance (\$)</b>	<b>Average Balance (\$)</b>	<b>No. Of Loans Percentage</b>	<b>Current Principal Balance Percentage</b>
Australian Capital Territory - Metropolitan	172	64,691,551	376,114	2.21%	2.35%
New South Wales - Inner City	7	3,392,600	484,657	0.09%	0.12%
New South Wales - Metropolitan	1,378	616,388,759	447,307	17.73%	22.41%
New South Wales - Non Metropolitan	596	185,094,420	310,561	7.67%	6.73%
Northern Territory - Metropolitan	23	6,823,172	296,660	0.30%	0.25%
Northern Territory - Non Metropolitan	7	2,455,566	350,795	0.09%	0.09%
Queensland - Inner City	15	4,704,579	313,639	0.19%	0.17%
Queensland - Metropolitan	879	306,903,523	349,151	11.31%	11.16%
Queensland - Non Metropolitan	745	232,068,465	311,501	9.58%	8.44%
South Australia - Inner City	9	3,447,995	383,111	0.12%	0.13%
South Australia - Metropolitan	449	142,205,417	316,716	5.78%	5.17%
South Australia - Non Metropolitan	92	23,239,736	252,606	1.18%	0.85%
Tasmania - Inner City	4	1,373,827	343,457	0.05%	0.05%
Tasmania - Metropolitan	52	17,835,279	342,986	0.67%	0.65%
Tasmania - Non Metropolitan	97	24,182,687	249,306	1.25%	0.88%
Victoria - Inner City	38	10,824,304	284,850	0.49%	0.39%
Victoria - Metropolitan	1,693	641,008,404	378,623	21.78%	23.31%
Victoria - Non Metropolitan	432	127,801,053	295,836	5.56%	4.65%
Western Australia - Inner City	16	4,025,871	251,617	0.21%	0.15%
Western Australia - Metropolitan	917	290,687,530	316,998	11.80%	10.57%
Western Australia - Non Metropolitan	152	40,845,262	268,719	1.96%	1.49%
<b>Grand Total</b>	<b>7,773</b>	<b>2,750,000,000</b>	<b>353,789</b>	<b>100.00%</b>	<b>100.00%</b>

## Information Memorandum

Fixed Rate Year of Maturity	No. Of Loans	Current Principal Balance (\$)	Average Balance (\$)	No. Of Loans Percentage	Current Principal Balance Percentage
2023	20	6,914,495	345,725	0.26%	0.25%
2024	382	133,221,795	348,748	4.91%	4.84%
2025	204	65,505,566	321,106	2.62%	2.38%
2026	107	33,745,860	315,382	1.38%	1.23%
2027	69	17,854,900	258,767	0.89%	0.65%
2028	3	849,590	283,197	0.04%	0.03%
<b>Grand Total</b>	<b>785</b>	<b>258,092,206</b>	<b>328,780</b>	<b>10.10%</b>	<b>9.39%</b>

Interest Only Remaining Term	No. Of Loans	Current Principal Balance (\$)	Average Balance (\$)	No. Of Loans Percentage	Current Principal Balance Percentage
Less Than 3 Mth	6	2,478,056	413,009	0.08%	0.09%
> 3 mths and <= 6 mths	18	7,787,239	432,624	0.23%	0.28%
> 6 mths and <= 12 mths	48	15,150,649	315,639	0.62%	0.55%
> 12 mths and <= 18 mths	58	27,323,201	471,090	0.75%	0.99%
> 18 mths and <= 24 mths	40	16,151,301	403,783	0.51%	0.59%
> 24 and <= 36 mths	70	25,549,435	364,992	0.90%	0.93%
> 36 and <= 48 mths	163	66,336,712	406,974	2.10%	2.41%
> 48 and <= 60 mths	107	42,879,522	400,743	1.38%	1.56%
> 60 and <= 72 mths	8	3,254,146	406,768	0.10%	0.12%
> 72 and <= 84 mths	6	1,999,273	333,212	0.08%	0.07%
> 84 and <= 96 mths	2	1,408,000	704,000	0.03%	0.05%
> 96 and <= 108 mths	26	8,585,039	330,194	0.33%	0.31%
> 108 and <= 120 mths	4	1,725,845	431,461	0.05%	0.06%
More Than 120 mths	0	0	0	0.00%	0.00%
<b>Grand Total</b>	<b>556</b>	<b>220,628,418</b>	<b>396,814</b>	<b>7.15%</b>	<b>8.02%</b>

# Information Memorandum

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Interest Only Current Loan to Value Ratio (Indexed <sup>3</sup> )	No. Of Loans	Current Principal Balance (\$)	Average Balance (\$)	No. Of Loans Percentage	Current Principal Balance Percentage
<= 5.00%	11	614,603	55,873	0.14%	0.02%
05.01% - 10.00%	11	1,343,999	122,182	0.14%	0.05%
10.01% - 15.00%	10	2,578,169	257,817	0.13%	0.09%
15.01% - 20.00%	15	5,190,834	346,056	0.19%	0.19%
20.01% - 25.00%	19	5,090,553	267,924	0.24%	0.19%
25.01% - 30.00%	12	7,020,614	585,051	0.15%	0.26%
30.01% - 35.00%	12	4,755,266	396,272	0.15%	0.17%
35.01% - 40.00%	32	12,506,311	390,822	0.41%	0.45%
40.01% - 45.00%	30	11,390,606	379,687	0.39%	0.41%
45.01% - 50.00%	20	6,792,443	339,622	0.26%	0.25%
50.01% - 55.00%	25	10,316,909	412,676	0.32%	0.38%
55.01% - 60.00%	52	21,293,919	409,498	0.67%	0.77%
60.01% - 65.00%	47	17,721,421	377,052	0.60%	0.64%
65.01% - 70.00%	85	36,599,807	430,586	1.09%	1.33%
70.01% - 75.00%	71	31,499,057	443,649	0.91%	1.15%
75.01% - 80.00%	93	40,094,709	431,126	1.20%	1.46%
80.01% - 85.00%	5	3,112,153	622,431	0.06%	0.11%
85.01% - 90.00%	6	2,707,045	451,174	0.08%	0.10%
90.01% - 95.00%	0	0	0	0.00%	0.00%
> 95.01%	0	0	0	0.00%	0.00%
<b>Grand Total</b>	<b>556</b>	<b>220,628,418</b>	<b>396,814</b>	<b>7.15%</b>	<b>8.02%</b>

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<sup>3</sup> Index Source: CoreLogic

# Information Memorandum

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## Directory

### **Approved Seller**

Westpac Banking Corporation  
Level 18  
275 Kent Street  
Sydney NSW 2000

### **Trust Manager**

Westpac Securitisation Management Pty Limited  
Level 18  
275 Kent Street  
Sydney NSW 2000

### **Trustee**

BNY Trust Company of Australia Limited  
Level 2  
1 Bligh Street  
Sydney NSW 2000

### **Servicer**

Westpac Banking Corporation  
Level 18  
275 Kent Street  
Sydney NSW 2000

### **Security Trustee**

BTA Institutional Services Australia Limited  
Level 2  
1 Bligh Street  
Sydney NSW 2000

### **Dealer and Lead Manager**

Westpac Banking Corporation  
Level 2  
275 Kent Street  
Sydney NSW 2000

### **Solicitors to Trust Manager and Approved Seller**

Clayton Utz  
1 Bligh Street  
Sydney NSW 2000