

SCHOONER CAPITAL *P T Y L I M I T E D*

ABN 19 080 366 436



ASSET-BACKED COMMERCIAL PAPER PROGRAM

A\$3,000,000,000

INFORMATION MEMORANDUM

STATE STREET CAPITAL PTY LIMITED

ABN 87 083 100 832

Program Administrator

COMMONWEALTH BANK OF AUSTRALIA ABN 48 123 123 124

DEUTSCHE BANK AG, SYDNEY BRANCH ABN 13 064 165 162

MACQUARIE BANK LIMITED ABN 46 008 583 542

ST GEORGE BANK LIMITED ABN 92 055 513 070

STATE STREET BANK AND TRUST COMPANY ABN 70 062 819 630

NATIONAL AUSTRALIA BANK LIMITED ABN 12 004 044 937

Dealers

September 2007

Investments in Schooner Commercial Paper do not represent deposit liabilities of State Street Bank and Trust Company or any other member of the State Street Group, nor does State Street Bank and Trust Company or any other member of the State Street Group (including its ultimate parent company), in any way stand behind the capital value and/or performance of Schooner Commercial Paper. Investors should be aware that Schooner Commercial Paper is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

IMPORTANT NOTICE

This Information Memorandum relates solely to the proposed issue of Schooner Commercial Paper by the Issuer. This Information Memorandum does not relate to and is not relevant for any other purpose. Unless defined elsewhere, all terms are defined in the Glossary in Section 7, which should be referred to in conjunction with any review of this Information Memorandum.

This Information Memorandum has been prepared as at 5 September 2007 (the "Preparation Date"), based upon information available and the facts and circumstances known to the Program Administrator at that time. Neither the delivery of this Information Memorandum, nor any offer or issue of Schooner Commercial Paper, at any time after the Preparation Date implies or should be relied upon as a representation or warranty that:

- (a) there has been no change in any of the information contained in this Information Memorandum since the Preparation Date; or*
- (b) the information contained in this Information Memorandum is correct or not false or misleading at any such later time.*

None of the Program Administrator, Schooner, State Street Bank and Trust Company, the Security Trustee, the Dealers nor any other person has any obligation to the recipients of this Information Memorandum or to any holder of Schooner Commercial Paper to update this Information Memorandum or disclose any other information after the Preparation Date having regard to information which becomes available or facts and circumstances which come to exist after the Preparation Date.

This Information Memorandum has been prepared by the Program Administrator which has requested and authorised its distribution and which accepts responsibility for it. To the best of the Program Administrator's knowledge, the contents of this Information Memorandum are, as at the Preparation Date, correct and not misleading or deceptive, and there has been no material omission from it that is likely to mislead or deceive.

Except as to their respective details as set out in the Directory at the end of this Information Memorandum, none of State Street Bank and Trust Company, Schooner, the Receivables Trustee, the Security Trustee, any Dealer, or any of their respective officers, employees, representatives, shareholders or advisers:

- (a) has been the source of any information contained in this Information Memorandum;*
- (b) has authorised or caused the issue of this Information Memorandum;*
- (c) has independently verified or conducted any due diligence as to the contents of this Information Memorandum;*
- (d) has otherwise been involved in the preparation or issue of this Information Memorandum; or*
- (e) makes any representation or warranty (express or implied) or accepts any responsibility or liability as to the accuracy or completeness of any information in this Information Memorandum.*

The purpose of this Information Memorandum is to assist potential purchasers of Schooner Commercial Paper in deciding whether to purchase Schooner Commercial Paper. It is not a recommendation to do so and does not constitute an offer by any person named in this Information Memorandum to sell, or an invitation by any such person to subscribe for, Schooner Commercial Paper. This Information Memorandum is only a summary of the terms and conditions of Schooner Commercial Paper and of certain other matters which the Program Administrator considers may be relevant to purchasers in making such a decision. It does not set out all the information contained in the Transaction Documents, or which a purchaser of Schooner Commercial Paper may consider relevant for the purposes of making such a decision.

Purchasers of Schooner Commercial Paper must determine for themselves the adequacy, relevance and accuracy of the information contained in this Information Memorandum, and must make their own independent assessment and investigation of such matters as they consider relevant or necessary in

deciding whether or not to subscribe for or purchase Schooner Commercial Paper. Any such decision must be based upon that independent assessment and investigation, and not on this Information Memorandum.

No person other than the Program Administrator is authorised to give any information, or to make any representation regarding Schooner Commercial Paper which is not contained in this Information Memorandum. Any such information or representation given or made by any person must not be relied upon as having been authorised by or on behalf of the Program Administrator, Schooner, State Street Bank and Trust Company, the Receivables Trustee, the Security Trustee or any Dealer.

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 (whether as principal or agent). It is not intended for, should not be distributed to, and should not be construed as an offer or invitation to, any other person.

This Information Memorandum must not be distributed outside the Commonwealth of Australia without the prior consent of the Program Administrator.

Each offer for subscription or purchase and each invitation to subscribe for or buy, Schooner Commercial Paper will be made:

- (a) on terms that minimum amount payable for the Schooner Commercial Paper on acceptance of any such offer or invitation will be at least A\$500,000 (disregarding any amount payable or paid to the extent to which it is to be paid, or was paid, out of money lent by the person offering the Schooner Commercial Paper or an associate); or*
- (b) on such other terms as will result in the offer or invitation not requiring disclosure to investors under Part 6D.2 of the Corporations Act.*

Accordingly this Information Memorandum is not required to be (and has not been) lodged with or registered by the Australian Securities and Investments Commission.

A person may not (directly or indirectly) offer for subscription or purchase, or issue an invitation to subscribe for or buy, any Schooner Commercial Paper or advertise any such offer or invitation except if the offer or invitation does not need disclosure to investors under Part 6D.2 of the Corporations Act.

A credit rating by S&P of Schooner Commercial Paper is not a recommendation to buy, sell or hold Schooner Commercial Paper and may be subject to revision, suspension or withdrawal at any time by S&P. A revision, suspension, qualification or withdrawal of the credit rating of Schooner Commercial Paper may adversely affect the market price of Schooner Commercial Paper. Apart from this paragraph, S&P has not been involved in the preparation of this Information Memorandum.

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1. PROGRAM SUMMARY

Issuer:	Schooner Capital Pty Limited ABN 19 080 366 436 ("Schooner").
Program Limit:	A\$3,000,000,000 (or such other amount determined by Schooner and notified to S&P).
Rating:	Schooner Commercial Paper must be rated not lower than "A-1+" by S&P at the time of issue.
Schooner Commercial Paper:	Schooner Commercial Paper will be issued in the form of registered notes, constituted pursuant to a Note Deed Poll.
Security:	Registered first ranking fixed and floating charge granted in respect of the assets of Schooner, including each Investor Unit in each Receivables Trust (see section 6).
Liquidity Facilities:	Schooner will enter into a separate liquidity facility in respect of each Receivables Trust. The terms of each liquidity facility will be tailored to the pool of Receivables in the relevant Receivables Trust (see section 4.12).
Credit Enhancements:	<p>Program Credit Enhancement Facility (see section 4.13) in the form of a cash advance facility from State Street Bank and Trust Company.</p> <p>Individual Receivables Trusts have specific credit enhancements including, but not limited to, over-collateralisation, trade receivables insurance policies, letters of credit and cash reserves.</p>
Denominations:	Schooner Commercial Paper will be issued in denominations of \$1,000,000 or such other amount as agreed between Schooner and the relevant Dealer.
Maturities:	Schooner Commercial Paper will be issued with a maximum tenor of 270 days.
Trustee Status:	Schooner Commercial Paper will be an authorised trustee investment in New South Wales.
Issuance Procedures:	<p>At the sole discretion of Schooner, Schooner Commercial Paper may be issued by any of the following methods:</p> <ul style="list-style-type: none">• competitive tender to the dealers;• unsolicited bids by the dealers; and• private placement.
Settlement Procedures:	Schooner Commercial Paper will be lodged in and settled through the Austraclear System in accordance with the Austraclear Regulations.
Program Administrator:	State Street Capital Pty Limited ABN 87 083 100 832
Agent for Registry and	

Payment Services:	Austraclear Services Limited ABN 28 003 284 419
Receivables Trustee:	State Street Capital Pty Limited ABN 87 083 100 832
Security Trustee:	Permanent Custodians Limited ACN 001 426 384
Program Credit Enhancement Provider:	State Street Bank and Trust Company ABN 70 062 819 630
Liquidity Provider:	A bank or financial institution (or a syndicate of banks or financial institutions) having a credit rating sufficient to ensure that Schooner Commercial Paper issued to fund investments in the relevant Receivables Trust is rated not lower than "A-1+" by S&P at the time of issue.
Dealers:	<p>Commonwealth Bank of Australia ABN 48 123 123 124</p> <p>Deutsche Bank AG, Sydney Branch ABN 13 064 165 162</p> <p>Macquarie Bank Limited ABN 46 008 583 542</p> <p>St George Bank Limited ABN 92 055 513 070</p> <p>State Street Bank and Trust Company ABN 70 062 819 630</p> <p>National Australia Bank Limited ABN 12 004 044 937</p>

2. ISSUER

Schooner is a special purpose company incorporated in New South Wales. The activities of Schooner are restricted by its Constitution to:

- issuing Schooner Commercial Paper that is rated not lower than "A-1+" by S&P;
- using the amounts so raised to invest in Receivables Trusts, which will in turn invest in Receivables, ancillary rights relating to Receivables and deposit accounts held in the name of the Receivables Trustee with an eligible financial institution;
- issuing notes which are subordinated to all Schooner Commercial Paper;
- entering into all documents necessary, appropriate or for the purposes of enabling Schooner to engage in the activities referred to above, which includes borrowing under the liquidity facilities and the Program Credit Enhancement Facility; and
- performing all functions in connection with or ancillary to the activities referred to above.

None of the shareholder of Schooner nor any Dealer makes any representations or warranties as to the ability of Schooner to make redemption payments, or stands behind or supports Schooner's obligations. In this regard, attention is drawn to the important notice prefacing

this Information Memorandum.

3. SCHOONER COMMERCIAL PAPER

3.1 Form

Schooner Commercial Paper is issued in the form of registered Notes under a Note Deed Poll dated 4 February 1998 executed by Schooner ("**Note Deed Poll**") and in accordance with the Agency and Registry Services Agreement.

3.2 Lodgement in Austraclear System

All Schooner Commercial Paper will, upon issue, be lodged in the Austraclear System in accordance with the Austraclear Regulations and the Agency and Registry Services Agreement.

3.3 Transfers and Uplift From Austraclear System

Schooner Commercial Paper is transferable within the Austraclear System in accordance with the Austraclear Regulations.

Schooner Commercial Paper may only be transferred outside, and uplifted from, the Austraclear System in the limited circumstances expressly provided for in the Agency and Registry Services Agreement. These include:

- for the purposes of repurchase, redemption or cancellation of Schooner Commercial Paper (whether on or before maturity);
- if a Noteholder states to Austraclear that it needs to physically hold or be registered as holder of Schooner Commercial Paper outside the Austraclear System to pursue any rights against Schooner following an alleged default, and that request appears to Austraclear to be reasonable; and
- where Austraclear exercises any power it may have under the Austraclear Regulations, under the terms of the Schooner Commercial Paper or that it may otherwise have, to require uplift of Schooner Commercial Paper.

3.4 Payments

Any payments under or in respect of Schooner Commercial Paper must be made in Australian Dollars on the due date for payment:

- in the case of Schooner Commercial Paper lodged in the Austraclear System, by settlement in favour of the Noteholder in accordance with the Austraclear Regulations; and
- in the case of Schooner Commercial Paper which has been uplifted or removed from the Austraclear System, by payment to such bank account in Australia as the Noteholder may designate to Schooner in writing.

Any payments made by Schooner must be made free of any set-off or counterclaim, and without deduction or withholding for any present or future taxes, unless Schooner is compelled by law to deduct the same.

If Schooner is legally obliged to make any such deduction or withholding, it must pay the

amount required to be deducted or withheld to the appropriate government body, and within 30 days provide to the Noteholder evidence satisfactory to it of the payment having been made.

3.5 Stamp Duty

No stamp duty is payable on the transfer of Schooner Commercial Paper within the Austraclear System.

3.6 Governing Law

Schooner Commercial Paper is governed by the laws of the Australian Capital Territory.

4. STRUCTURE OF PROGRAM

4.1 Ownership of Schooner

All of the shares in Schooner are held by State Street Capital Pty Limited as charitable trustee under the terms of a charitable trust. The shares in Schooner may not be transferred until there is no Schooner Commercial Paper outstanding.

4.2 Directors of Schooner

The majority of the board of directors of Schooner will be independent, in the sense that they will not be officers of or employed by any of State Street Bank and Trust Company, State Street Capital Pty Limited or any affiliate of them ("**State Street Group**"). Initially, one director will be a nominee of the Program Administrator. Schooner is not a subsidiary of or controlled by any company in the State Street Group, and the composition of its board of directors complies with the Australian Prudential Regulation Authority's guidelines in Prudential Standard APS 120 including any Guidance Note thereto.

4.3 Security Trust

Schooner has granted a first ranking fixed and floating charge over all of its assets and undertaking to the Security Trustee. The Security Trustee holds the charge on trust for the benefit of holders of Schooner Commercial Paper, the providers of liquidity facilities and credit enhancements and the holders of the Subordinated Notes. See section 6 for further information.

4.4 Dealers and Austraclear

Schooner has appointed Macquarie Bank Limited, Commonwealth Bank of Australia Limited, Deutsche Bank AG, Sydney Branch, St George Bank Limited, State Street Bank and Trust Company, and National Australia Bank Limited as dealers to the program, to undertake, on a reasonable endeavours basis, to place Schooner Commercial Paper.

The dealers will not underwrite the issue of Schooner Commercial Paper. Schooner has appointed Austraclear to provide agency and registry services (under the Agency and Registry Services Agreement) in connection with Schooner Commercial Paper.

4.5 Program Administrator

Schooner has appointed State Street Capital Pty Limited as the Program Administrator to manage and administer the program on its behalf. The role of the Program Administrator is to manage all administrative and day-to-day aspects of Schooner's involvement in the program. State Street Capital Pty Limited will also act as manager of each Receivables Trust. See

section 5 for further information.

4.6 Receivables Trusts and Nature of Assets

Investments made by Schooner will be in a number of trusts (each a "**Receivables Trust**") which will, in turn, apply the amounts invested in purchasing Receivables. Each Receivables Trust will be structured according to the nature of the Receivables to be purchased. Schooner is prohibited from issuing any Schooner Commercial Paper to finance the making by it of investments in a Receivables Trust unless S&P has confirmed that the structure of the Receivables Trust will support the continuance of the credit rating of Schooner Commercial Paper at not lower than "A-1+". Factors to be considered by S&P in giving such confirmation will depend upon the structure of the relevant Receivables Trust and may include (for example):

- the terms of any swap or other hedging transactions entered into by the relevant Receivables Trustee;
- the credit rating of any swap or hedge counterparty; and
- the terms of any pool specific enhancements (see section 4.14).

4.7 Eligible Receivables

Each Receivables Trust will have different eligibility criteria for determining those Receivables which can be funded by Schooner's investment in that Receivables Trust. These eligibility criteria may vary considerably between each Receivables Trust, and may include, but are not limited to:

- (a) the nature of the transaction which created the Receivable;
- (b) certain characteristics of the Receivable, including its aging;
- (c) the nature and characteristics of the party who is obliged to pay the Receivable;
- (d) the period for which the Receivable has remained unpaid; or
- (e) in the case of Receivables which are securities or other financial assets, their credit rating; and
- (f) any other matter which the Program Administrator considers appropriate based upon negotiations with the Seller and a review of the Seller's generation and management of its Receivables.

4.8 Funding of Purchase and Entitlements of Schooner

Each Receivables Trustee will fund the purchase price of Receivables by seeking investments from Schooner in the relevant Receivables Trust and/or utilisation of the relevant liquidity facility (see section 4.12). Investments from Schooner will be funded by Schooner issuing Schooner Commercial Paper or utilisation of the relevant liquidity facility. Schooner is prohibited from issuing Schooner Commercial Paper unless it is rated at least "A-1+" by S&P at the time of issue.

The terms upon which investments will be made by Schooner in a Receivables Trust will be such as to entitle Schooner to receive, by way of income and capital distributions from that trust (and subject to the performance of the underlying Receivables and the compliance with their obligations by the providers of any pool specific enhancements) sufficient amounts to

enable it to meet its obligations in respect of Schooner Commercial Paper and under the relevant liquidity facilities.

4.9 Schooner Commercial Paper

Schooner Commercial Paper may be issued:

- (a) to fund investments and increased investments in a Receivables Trust;
- (b) to fund Schooner's obligations in respect of maturing Schooner Commercial Paper; and
- (c) to fund Schooner's obligations under a liquidity facility agreement.

4.10 Servicer

The Receivables Trustee may, upon purchase of the Receivables from the relevant seller, appoint that seller (or where there is more than one seller, one of those sellers) or an independent third party to service the Receivables. The identity of the Servicer and the terms of its appointment will be subject to review by S&P for the purposes of confirming a credit rating of Schooner Commercial Paper of at least "A-1+".

4.11 Credit and Liquidity Support

The obligations of Schooner to holders of Schooner Commercial Paper will be supported by:

- (a) collections and other amounts received in respect of the Receivables;
- (b) the availability of liquidity facilities entered into with respect to the funding of each separate pool of Receivables; and
- (c) the availability of the Program Credit Enhancement Facility.

In addition, pool specific enhancements may be required (see section 4.14).

4.12 Nature of Liquidity Facility

There will be a separate liquidity facility supporting each Receivables Trust. All Schooner Commercial Paper will be fungible, and will be supported, ultimately, by all of the Receivables purchased by all Receivables Trusts under the program. However, each tranche of Schooner Commercial Paper which is issued to fund an investment in a particular Receivables Trust will be supported by a liquidity facility specifically tailored to that Receivables Trust.

The primary purposes of the liquidity facilities are to enable Schooner to meet its obligations:

- in respect of maturing Schooner Commercial Paper if there is a mismatch in the timing of those obligations and the receipt of collections or other amounts received in respect of the relevant Receivables pool;
- to provide increased funding to the relevant Receivables Trust, or to make payments in respect of maturing Schooner Commercial Paper, if there is a disruption in the availability of funding in the commercial paper market; and
- to pay amounts payable in respect of utilisations previously made under the relevant liquidity facility (the facility will be revolving in nature).

The liquidity facilities may also be used to reimburse the holders of Subordinated Notes if the proceeds of the issue of the Subordinated Notes have been used to reimburse a Receivables Trust for any writedown on the value of an asset of that Receivables Trust and there has been a non-monetary reimbursement, reinstatement or other restoration of that asset.

Each liquidity facility will cease to be available if a liquidity event of default occurs. The liquidity events of default may vary depending on the nature of the Receivables held in the relevant Receivables Trust. However, in each case, the liquidity events of default will be structured in such a way as to ensure that the credit rating of Schooner Commercial Paper assigned by S&P is not lower than "A-1+".

4.13 Nature of Credit Enhancement

Schooner has available to it a credit facility under the Program Credit Enhancement Facility. This facility may be drawn to fund any shortfall in the amounts available for distribution to holders of maturing Schooner Commercial Paper. The maximum aggregate amount available under the Program Credit Enhancement Facility is determined in consultation with S&P and will be sufficient to ensure that the credit rating assigned by S&P to Schooner Commercial Paper will be at least "A-1+". That amount may vary from time to time, depending upon a number of factors, including the characteristics of the Receivables held in the various Receivables Trusts, and the tenor of Schooner Commercial Paper issued to finance the acquisition of those Receivables.

The Program Credit Enhancement Facility ceases to be available if a credit enhancement event of default occurs. These defaults are limited to non-payment of amounts available for distribution to the Program Credit Enhancement Provider under the Security Trust Deed (see section 6 below), and the insolvency of Schooner.

4.14 Subordinated Notes

Schooner has issued Subordinated Notes to a third-party investor in an amount that is a majority of "expected losses" as determined by the Program Administrator under the Financial Accounting Standards Board's Financial Interpretation No.46 Consolidation of Variable Interest Entities an interpretation of Accounting Research Bulletin No. 51 ("**Fin 46**"). This does not affect the priority or status of the holders of Schooner Commercial Paper and the holders of Schooner Commercial Paper should not rely on the Subordinated Notes for credit enhancement.

4.15 Pool Specific Enhancements

Depending upon the credit quality of the Receivables held in a particular Receivables Trust, the Receivables Trustee may have the benefit of additional pool specific credit enhancements or liquidity facilities. These may include, for example, but are not limited to:

- over collateralisation of the relevant Receivables pool (the obligations of the relevant Receivables Trust to provide funding may be limited to a percentage (less than 100%) of the balance of the eligible Receivables pool);
- a bank guarantee or letter of credit to support any obligations of the relevant seller with respect to the ongoing servicing of the Receivables;
- trade credit insurance in respect of the Receivables; and/or
- recourse to the relevant seller in respect of the payment of the Receivables.

4.16 Combined Effect of Credit Enhancements and Liquidity Facility

Before Schooner makes its first investment in any Receivables Trust after the Preparation Date, S&P must confirm that the terms of the relevant Receivables Trust, liquidity facility and any pool specific enhancements are such that, combined with the Program Credit Enhancement Facility, Schooner Commercial Paper issued to fund that investment will be rated not lower than "A-1+".

No Schooner Commercial Paper may be issued to fund an investment in a Receivables Trust if the relevant liquidity facility or pool specific credit enhancement are not available, or have terminated, or the Program Credit Enhancement Facility is not available or has terminated.

4.17 Limited Recourse and Non-Petition

The rights of the holders of Schooner Commercial Paper to enforce the obligations of Schooner are limited pursuant to the terms of a Note Deed Poll, to the exercise of its rights as a secured creditor under the Security Trust Deed (see section 6). Accordingly, the rights of Noteholders are limited to enforcing the due administration by the Security Trustee of the Security Trust Deed, and the exercise of their rights under the Security Trust Deed. None of the holders of Schooner Commercial Paper may with respect to the payment of any amount payable in respect of Schooner Commercial Paper:

- (a) commence any recovery or enforcement proceedings against Schooner;
- (b) apply to wind up Schooner;
- (c) make any statutory demand on Schooner under section 459E of the Corporations Act; or
- (d) exercise any rights except through the Security Trustee in the exercise of its rights to appoint a receiver or administrator to Schooner or any of its assets.

5. PROGRAM ADMINISTRATOR

5.1 Program Administration Agreement

Under the Program Administration Agreement, Schooner has appointed State Street Capital Pty Limited as the Program Administrator to:

- (a) supervise and administer the exercise and enforcement of the rights and obligations of Schooner under the Transaction Documents, so as to ensure:
 - the compliance by Schooner with its obligations under the Transaction Documents; and
 - the exercise and enforcement by Schooner of its rights and discretions under or in respect of the Transaction Documents; and
- (b) where appropriate or necessary, act as Schooner's agent for the purposes of the program.

5.2 Not a Guarantee of Schooner Commercial Paper

The obligations of the Program Administrator do not amount to a guarantee or indemnity in respect of Schooner's obligations under the Transaction Documents or Schooner Commercial Paper.

6. SECURITY TRUSTEE

6.1 Security Trust Deed

The Security Trust Deed for the program is dated 3 February 1998 and is executed by Schooner in favour of the Security Trustee. It has been amended. Under the Security Trust Deed (as amended), Schooner has charged to the Security Trustee all of its right, title, benefit and interest in and to all of its assets and undertaking, present and future. The charge operates as a first ranking fixed and floating charge.

6.2 Secured Creditors

The charge created by the Security Trust Deed secures the repayment by Schooner of all debts and monetary liabilities of Schooner to:

- the holders of Schooner Commercial Paper under or in respect of Schooner Commercial Paper;
- each liquidity facility provider under or in respect of the relevant liquidity facility agreement;
- the credit enhancement provider under or in respect of the Program Credit Enhancement Facility;
- the holders of Subordinated Notes under or in respect of the Subordinated Notes; and
- the Security Trustee under or in respect of the Security Trust Deed.

6.3 Application of Distributions on Enforcement

Money received as a result of the exercise of the powers conferred by the Security Trust Deed in respect of a Receivables Trust (including the proceeds of collections in respect of Receivables distributed under the Receivables Trust) after the charge has become enforceable, or after the relevant liquidity facility for that Receivables Trust has terminated, must be applied:

- (a) firstly, in or toward payment or provision for the Security Trustee's fees;
- (b) secondly, in or towards payment of or provision for enforcement expenses;
- (c) thirdly, in or towards payment or, in the case of amounts payable to holders of Schooner Commercial Paper, provision for payment (*pari passu* and rateably), of:
 - (i) amounts owing to the relevant liquidity facility provider in respect of principal and interest under the relevant liquidity facility agreement; and
 - (ii) that part of the amounts owing to Noteholders which is equal to the aggregate of Schooner Commercial Paper which was issued to fund investments by Schooner in the relevant Receivables Trust;
- (d) fourthly, in payment to the Program Administrator of any accrued and unpaid Program Administration Fee;
- (e) fifthly, in or towards payment of any amounts (other than principal and interest)

outstanding to the liquidity facility provider under the relevant liquidity facility agreement;

- (f) sixthly, in or towards payment of amounts outstanding to the program credit enhancement provider, up to a maximum amount equal to the aggregate of all drawdowns under the Program Credit Enhancement Facility which were drawn down in respect of shortfalls arising under the relevant Receivables Trust;
- (g) seventhly, in or towards payment of or provision for amounts outstanding in respect of the issuance expenses of Schooner Commercial Paper;
- (h) eighthly, in or towards payment of any fees, costs and expenses (other than those referred to in the paragraphs of this section 6.3) which are incurred by Schooner in complying with its obligations or exercising its powers under the Transaction Documents;
- (i) ninthly, in or towards payment of any unpaid interest owed to the holders of Subordinated Notes;
- (j) tenthly, in payment to the Program Administration of any fees (other than those referred to in paragraph (d) above) due and unpaid to the Program Administrator;
- (k) eleventhly, in or towards payment of any other amounts owing to the holders of Subordinated Notes; and
- (l) finally, the balance (if any) to the Program Administrator.

A failure by Schooner to pay any amount due to a holder of a Subordinated Note will not constitute an event of default if at that time there is any amount outstanding to any other Secured Creditor.

Any amount received representing a reimbursement, reinstatement or other restoration of any writedown on the value of an asset of a Receivables Trust or any other shortfall in the amount available to meet Schooner's obligations to the Secured Creditors (other than the holders of Subordinated Notes) and which in either case has been previously met by the holders of Subordinated Notes will not be included in the amount available to be paid under paragraphs (a)- (j) above.

7. GLOSSARY

"Agency and Registry Services Agreement"

means the agreement so entitled dated 4 February 1998 made between Schooner and Austraclear Services Limited.

"Austraclear"

means, either:

- Austraclear Limited, as operator of the Austraclear System; or
- Austraclear Services Limited as the provider of services under the Agency and Registry Services Agreement,

as the context requires.

"Austraclear Regulations"

means the regulations and related rules and procedures established by Austraclear from time to time for the conduct of the Austraclear System.

"Austraclear System"

means the system operated by Austraclear Limited for the holding of Securities and for the recording and settling of transactions in those Securities between members of that system.

"Note Deed Poll"

means the note deed poll described in section 3.1.

"Noteholder"

means, as the context requires:

- the person registered as the holder of Schooner Commercial Paper, which will, in the case of Schooner Commercial Paper lodged in the Austraclear System, be Austraclear; or
- the person who is the "Recorded Owner" of Schooner Commercial Paper under the Austraclear Regulations.

"Program Administrator"

means, initially, State Street Capital Pty Limited, and thereafter such other person or persons as may be appointed from time to time to perform the functions of Program Administrator.

"Program Administration Fee"

means in relation to a distribution from a Receivable Trust, 0.10% of the amount of that distribution which is not principal.

"Program Credit Enhancement Facility"

means the facility described in section 4.13.

"Receivables"

means:

- (a) bonds, notes, commercial paper, bills of exchange or other debt securities;
- (b) shares or equity securities of any class or kind (including, for example, ordinary, redeemable, preference or convertible shares and prescribed interests);

- (c) book debts, trade and other receivables; and
- (d) any other financial asset or receivable, the acquisition of which will not cause Schooner Commercial Paper to be rated lower than "A-1+" by S&P.

"Receivables Trust"	means each trust described in section 4.6.
"Receivables Trustee"	means, in relation to a Receivables Trust, initially State Street Capital Pty Limited and thereafter such person who from time to time holds the office of trustee of a Receivables Trust.
"Schooner"	means Schooner Capital Pty Limited ABN 19 080 366 436.
"Schooner Commercial Paper"	means commercial paper issued by Schooner to fund the making by it of investments in Receivables Trusts as described in this Information Memorandum.
"Security Trust Deed"	means the trust deed referred to in section 6.
"Security Trustee"	means initially Permanent Custodians Limited ACN 001 426 384, and thereafter any person holding the office of trustee of the trust constituted under the Security Trust Deed.
"S&P"	means Standard & Poor's (Australia) Pty Limited ABN 62 007 324 852
"State Street Group"	means the group described in section 4.2.
"Subordinated Notes"	means the notes referred to in section 4.14.
"Transaction Documents"	has the same meaning as in the Security Trust Deed.

8 DIRECTORY

Issuer:	Schooner Capital Pty Limited Level 37, Aurora Place 88 Phillip Street SYDNEY NSW 2000
Program Administrator:	State Street Capital Pty Limited Level 37, Aurora Place 88 Phillip Street SYDNEY NSW 2000 Telephone: (02) 8249 1220 Facsimile: (02) 8249 1221
Receivables Trustee:	State Street Capital Pty Limited Level 37, Aurora Place 88 Phillip Street SYDNEY NSW 2000
Agency and Registry Services Agent:	Austraclear Services Limited Level 2 7 Macquarie Place SYDNEY NSW 2000
Security Trustee:	Permanent Custodians Limited Level 4 35 Clarence Street SYDNEY NSW 2000
Dealers:	Commonwealth Bank of Australia Level 4 120 Pitt Street SYDNEY NSW 2000 Deutsche Bank AG, Sydney Branch Level 18, Grosvenor Place 225 George Street SYDNEY NSW 2000 Macquarie Bank Limited 1 Martin Place SYDNEY NSW 2000 St George Bank Limited Level 11 55 Market Street Sydney NSW 2000 State Street Bank and Trust Company Level 37, Aurora Place 88 Phillip Street SYDNEY NSW 2000 National Australia Bank Limited Level 25 255 George Street SYDNEY NSW 2000

**Solicitors to the Program
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