

Elections and Variables to the Credit Support Annex dated as of

2019

Between

[Commonwealth Bank of Australia (ABN 48 123 123 124)]

("Party A")

and

BNY Trust Company of Australia Limited (ABN 49 050 294 052) (as trustee of the Think Tank Series 2019-1 Trust)

("Party B")

and

Think Tank Group Pty Limited

(ABN 75 117 819 084)

("Trust Manager")

in relation to the ISDA Master Agreement and the Schedule to it dated
between Party A, Party B and the Trust Manager

2019

Paragraph 11. Elections and Variables

(a) **Base Currency and Eligible Currency.**

- (i) "Base Currency" means Australian Dollars ("AUD").
- (ii) "Eligible Currency" means the Base Currency.

(b) **Credit Support Obligations.**

(i) **Delivery Amount, Return Amount and Credit Support Amount.**

- (A) "**Delivery Amount**": has the meaning specified in Paragraph 2(a).
- (B) "**Return Amount**" has the meaning as specified in Paragraph 2(b).
- (C) "**Credit Support Amount**" shall mean in respect of any Valuation Date:
 - (a) if an S&P Collateralisation Event is not subsisting on such Valuation Date, zero; and
 - (b) if an S&P Collateralisation Event is subsisting on such Valuation Date, the Credit Support Amount for Party A has the meaning specified in Paragraph 10.

Accordingly, despite any other provision of this Annex, Party A will only be required to deliver Eligible Credit Support to Party B under Paragraph 2(a) if an S&P Collateralisation Event is subsisting and Party B will not be required to deliver Eligible Credit Support to Party A under Paragraph 2(a).

- (ii) **Eligible Credit Support.** The following items will qualify as “Eligible Credit Support” for Party A:

Eligible Credit Support	Valuation Percentage
Cash in the Base Currency	100
Sovereign government securities denominated in the Base Currency with a rating by S&P at least equal to the greater of ‘A’ and the then current rating by S&P of the highest rated Notes then outstanding.	100 less the applicable “haircut” (expressed as a percentage) set out in the table in Annexure 2 having regard to the Selected Collateral Framework Option applicable at that time.
Any other type of security which is denominated in the Base Currency and which is, on the relevant Valuation Date, eligible as collateral in respect of Party A’s obligations under this Agreement in accordance with the S&P Criteria.	The relevant valuation percentage determined in accordance with the table in Annexure 2 having regard to the Selected Collateral Framework Option applicable at that time.

- (iii) **Thresholds.**

(A) **“Independent Amount”** means:

- (i) for Party A: zero unless (1) an S&P Collateralisation Event is subsisting on the relevant Valuation Date; and/or (2) an S&P Replacement Event is subsisting on such Valuation Date, in which case the sum of, for each Outstanding Transaction, the product of the then current Notional Amount applicable to Party A’s payment obligations in respect of the Outstanding Transaction and the relevant “Volatility Buffer”:
- (1) as determined in accordance with Annexure 1 of this Annex (having regard to the remaining term of the Outstanding Transaction and the applicable Selected Collateral Framework Option at that time); or
 - (2) (if Party A and the Trust Manager agree and such agreement not to be unreasonably withheld or delayed) as otherwise defined in, and as determined in accordance with paragraph (b) of the definition of the S&P Criteria (provided that the Manager has given a Rating Notification in respect of such other volatility buffers), having regard to the remaining term of the Outstanding Transaction and the applicable Selected Collateral Framework Option at that time; and

(ii) Party B: zero.

(B) **“Threshold”** means for:

(i) Party A: infinity, unless an S&P Collateralisation Event is subsisting, in which case it is zero; and

(ii) Party B: infinity.

(C) **“Minimum Transfer Amount”** means, with respect to Party A and Party B, AUD100,000, provided that:

(1) if an Event of Default has occurred and is continuing in respect of which Party A is the Defaulting Party, the Minimum Transfer Amount with respect to Party A shall be zero;

(2) if an Additional Termination Event has occurred in respect of which Party A is an Affected Party, the Minimum Transfer Amount with respect to Party A shall be zero; or

(3) if an S&P Collateralisation Event is not subsisting, the Minimum Transfer Amount with respect to Party B shall be zero.

(D) **“Rounding”** The Delivery Amount and the Return Amount will be:

(1) rounded up and down to the nearest integral multiple of AUD10,000 (with a number falling halfway between being rounded up), subject to the maximum Return Amount being equal to the Credit Support Balance; or

(2) if calculated on a day that an S&P Collateralisation Event is not subsisting, rounded up or down to the nearest integral multiple of AUD0.05 (with a number falling halfway between being rounded up), subject to a maximum Return Amount being equal to the Credit Support Balance.

(c) **Valuation and Timing.**

(i) **“Valuation Agent”** means, Party A in all circumstances.

(ii) **“Valuation Date”** means:

(a) each Wednesday or if Wednesday is not a Local Business Day, the next following Local Business Day; or

(b) if so elected by Party A (from time to time by notice in writing to Party B and Trust Manager), each Local Business Day.

(iii) **“Valuation Time”** means the close of business on the Local Business Day first preceding the Valuation Date or date of calculation, as applicable, provided that the calculations of Value and Credit Support Amount will, as far as practicable, be made as of approximately the same time on the same date.

- (iv) **“Notification Time”** means by 1:00 p.m., Sydney time, on the Local Business Day immediately following the applicable Valuation Date or date of calculation as applicable.
- (d) **Exchange Date.** “Exchange Date” has the meaning specified in Paragraph 3(c)(ii)(B).
- (e) **Dispute Resolution.**
 - (i) **“Resolution Time”** means 1:00 p.m., Sydney time, on the first Local Business Day following the date on which notice is given that gives rise to a dispute under Paragraph 4.
 - (ii) **“Value”** For the purpose of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), the Value of the outstanding Credit Support Balance or of any transfer of Eligible Credit Support or Equivalent Credit Support, as the case may be, will be calculated by the Valuation Agent as follows:
 - (A) with respect to any Eligible Credit Support or Equivalent Credit Support comprising securities (“Securities”) the sum of (a)(x) the last bid price on such date for such Securities on the principal national securities exchange on which such Securities are listed, *multiplied by* the applicable Valuation Percentage; or (y) where any such Securities are not listed on a national securities exchange, the bid price for such Securities quoted as at the close of business on such date by any principal market maker for such Securities chosen by the Valuation Agent, *multiplied by* the applicable Valuation Percentage; or (z) if no such bid price is listed or quoted for such date, the last bid price listed or quoted (as the case may be), as of the date next preceding such date on which such prices were available, *multiplied by* the applicable Valuation Percentage; plus (b) the accrued interest on such Securities (except to the extent that such interest has been paid to the Transferor pursuant to Paragraph 5(c)(ii) or included in the applicable price referred to in subparagraph (a) above) as of such date; and
 - (B) with respect to any cash, the Base Currency Equivalent of the product of the face value of the cash amount and the applicable Valuation Percentage.”
 - (iii) **“Alternative”** The provisions of Paragraph 4 will apply.
- (f) **Interest Amount.**
 - (i) **“Interest Rate”** The **“Interest Rate”** in relation to each Eligible Currency specified below will be:

Eligible Currency	Interest Rate
AUD	The overnight interbank cash rate as published by the Reserve Bank of Australia for the relevant day on page RBA30 of Reuters Monitor System. If such rate does not appear on the Local Business Day, the rate for that day is the best bid rate reasonably obtainable by the Valuation Agent in the market for overnight unsecured Australian cash deposits in Australian Dollars (as certified by the Valuation Agent such certificate to be sufficient evidence unless proved to

be incorrect), unless, if the Valuation Agent acting in good faith and using reasonable endeavours, is unable to obtain or is otherwise prevented or prohibited from obtaining the interest rate specified above, then the “Interest Rate” applicable to each Eligible Currency will be the highest available interest rate that the party is able to obtain from a bank that has a short term rating from S&P of A-1 or higher, net of applicable bank taxes and charges.

Interest in relation to each Eligible Currency will be simple interest.

- (ii) **“Transfer of Interest Amount”** The transfer of the Interest Amount will be made on the Payment Date following the end of the relevant Interest Period with respect to which the Interest Amount is calculated.
- (iii) **“Alternative to Interest Amount”** The provisions of Paragraph 5(c)(ii) will apply. Party B shall not be obliged to transfer any Interest Amount unless and until it has earned and received such Interest Amount.

(g) **Account Details.**

Party A:

<u>Eligible Credit Support</u>	<u>Address for Transfer</u>
AUD cash	As advised to Party B and the Manager
Australian Government Securities	As advised to Party B and the Manager

Party B: the Collateral Account

(h) **Other Provisions.**

(i) ***Early Termination.***

The heading for Paragraph 6 shall be deleted and replaced with “Early Termination” and the following shall be added after the word “Default” in the first sentence of Paragraph 6: “or a Termination Event in relation to all (but not less than all) Transactions”.

(ii) ***Costs of Transfer on Exchange.***

Notwithstanding Paragraph 8, the Transferor will be responsible for, and will reimburse the Transferee for, all transfer and other taxes and other costs involved in the transfer of Eligible Credit Support either from the Transferor to the Transferee or from the Transferee to the Transferor hereto.

(iii) ***Single Transferor and Single Transferee.***

Party A and Party B (at the direction of the Trust Manager) agree that, notwithstanding anything to the contrary in this Annex, (including, without limitation, the recital hereto, Paragraph 2 or the definitions in Paragraph 10), (a) the term “Transferee” as used in this Annex means only Party B; (b) the term “Transferor” as used in this Annex means

only Party A; (c) only Party A will be required to make transfers of Eligible Credit Support under Paragraph 2(a).

(iv) **Calculations.**

Paragraph 3(b) of this Annex shall be amended by inserting the words “and shall provide each party (or the other party, if the Valuation Agent is a party) with a description in reasonable detail of how such calculations were made, upon request” after the word “calculations” in the third line thereof.

(v) **Definition of Exposure.**

The definition of “Exposure” in Paragraph 10 is amended by deleting the words “if all Transactions (other than the Transaction constituted by this Annex)” and replacing them with the words “if all Outstanding Transactions”.

(vi) **Definition of Interest Amount.**

The definition of “Interest Amount” in Paragraph 10 is amended by inserting the words “and Australian Dollars” after the words “pounds sterling” in sub-paragraph (z).

(vii) **Demands and Notices.**

Any demand, specification or notice under this Annex (each, a “Notice”), may be delivered orally, including by telephone. If such Notice is delivered orally, such oral Notice shall be confirmed promptly in writing (a “Notice Confirmation”) by tested telex, facsimile, electronic mail or actual delivery. Failure to provide that Notice Confirmation will not affect the validity of that oral Notice or constitute an Event of Default or Termination Event under the Agreement. All Notices shall be delivered to the following addresses:

with respect to Party A:

Address: Level 1, Darling Park Tower 1, 201 Sussex Street, Sydney NSW
2000 Australia

Attention: Collateral Management, Enterprise Services, Financial Markets
Operations

Email: collateral@cba.com.au

with respect to Party B:

Address: Level 2, 1 Bligh Street, Sydney NSW 2000

Attention: Global Client Services

Facsimile No: +61 2 9260 6009 **Telephone No:** +61 2 9260 6000

Email: BNYM_CT_Aus_RMG@bnymellon.com

All notices or communications to Party B to be copied to the **Trust Manager** at:

Address: Level 24, 100 Miller Street, North Sydney NSW 2060

Attention: Director
Facsimile No: +61 2 8669 5599
Email: TrustMan@thinktank.net.au

(viii) **S&P Criteria.**

This Annex has been prepared by reference to the S&P Criteria which are current at the time that this Annex is entered into. If the S&P Criteria are varied at any time after this Annex is entered into then Party A may at any time (without any obligation to do so) notify Party B and the Trust Manager of amendments which are to be made to any of the provisions of this Annex in order for this Annex to be consistent with the then current S&P Criteria. The parties agree that any amendments so notified by Party A will be effective to amend this Annex but only to the extent that (and with effect from the time that) the Trust Manager agrees in writing to the inclusion of such amendments (such agreement not to be unreasonably withheld or delayed).

(ix) **Non-cash Eligible Credit Support.**

- (i) With respect to any non-cash Eligible Credit Support transferred by a party (the “**Transferring Party**”) to the other party under this Annex, the Transferring Party intends that the transfer is eligible for non-recognition treatment under Section 26BC of the *Income Tax Assessment Act 1936* (the “**Act**”) for income tax, or tax equivalence, purposes.
- (ii) Accordingly:
- (1) The Transferring Party intends that Equivalent Credit Support in respect of Eligible Credit Support delivered by it is delivered to it within 360 days of the Eligible Credit Support having been provided by the Transferring Party, following either a proper demand for the transfer by the Transferring Party under paragraph 2(b) or a notice by the other party of its consent to an exchange proposed by the Transferring Party.
- (2) For the purposes of Section 26BC(3)(d) of the Act, the Transferring Party declares that the notifiable consideration given by the other party in respect of any such initial transfer of Eligible Credit Support by the Transferring Party is dissected as follows:
- there is no fee given by the other party; and
 - the other consideration given by the other party consists of the obligations of the other party under Paragraphs 2(b), 3(c)(ii)B, 5(c)(i), 5(c)(ii) and 9(a) of this Annex, and other paragraphs relating to them.

(x) **Definitions.**

As used in this Annex, the following terms shall mean:

“**Interest Period**” means each calendar month.

“Local Business Day” means a day on which banks are open for general banking business in Sydney and Melbourne (not being a Saturday, a Sunday or public holiday in that place).

“Outstanding Transaction” means each Transaction which is governed by the Agreement which has not matured or terminated, other than the Transactions comprised by the credit support arrangements of this Annex.

“Payment Date” means the 10th Local Business Day of each calendar month.

“Selected Collateral Framework Option” has the meaning given to it in the Agreement.

SIGNED by)
as attorney for [**COMMONWEALTH**)
BANK OF AUSTRALIA] under power)
of attorney dated)

in the presence of:)
)
)

.....)
Signature of witness)

.....)
Name of witness (block letters))

.....
By executing this agreement the
attorney states that the attorney has
received no notice of revocation of the
power of attorney

SIGNED by)
)
as attorney for **BNY TRUST**)
COMPANY OF AUSTRALIA LIMITED)
(in its capacity as trustee of the)
Think Tank Series 2019-1 Trust))
under power of attorney dated 1)
September 2007 in the presence of:)

.....)
Signature of witness)

.....)
Name of witness (block letters))

.....
By executing this agreement the
attorney states that the attorney has
received no notice of revocation of the
power of attorney

EXECUTED by **THINK TANK GROUP**)
PTY LIMITED in accordance with)
section 127(1) of the *Corporations Act*)
2001 (Cth) by authority of its directors:)

.....)
Signature of director)

.....)
Name of director (block letters))

.....
Signature of director/company secretary*
*delete whichever is not applicable

.....
Name of director/company secretary*
(block letters)
*delete whichever is not applicable

ANNEXURE 1

Volatility Buffers For Interest Rate And Currency Derivatives

As a % of the derivative notional amount

Remaining Weighted-average life of swap (years)(i)	Volatility buffers supporting a "strong" collateral framework			Volatility buffers supporting an "adequate" collateral framework		
	Interest rate swap--fixed-floating	Interest rate swap--floating-floating	Cross-currency swap	Interest rate swap--fixed-floating	Interest rate swap--floating-floating	Cross-currency swap
[0;1]	2.0	2.0	14.0	1.0	1.0	6.0
(1;2]	4.0	2.5	14.5	2.0	1.0	6.0
(2;3]	6.0	2.5	14.5	2.5	1.0	6.0
(3;5]	8.5	3.0	15.0	3.5	1.5	7.0
(5;7]	10.0	3.5	16.5	4.0	2.0	7.5
(7;10]	12.0	4.0	18.0	5.0	2.0	7.5
(10;15]	14.0	4.5	21.0	6.0	3.0	8.0
(15;20]	14.5	5.0	22.5	6.5	3.5	9.0
Greater than 20	15.0	5.5	24.0	7.0	4.0	10.0

(i)The symbol '[' denotes exclusion of the first data point in the range, and the symbol ']' denotes the inclusion of the last data point in the range.

ANNEXURE 2

Applicable Market Value Haircuts For Eligible Assets Under The Criteria(i)

Remaining term to maturity (years)	[0; 1]	(1; 3]	(3; 5]	(5; 7]	(7; 10]	(10; 15]	(15; 20]	>20
Haircuts for "strong" collateral assessment (%)								
Sovereigns	8.0	10.0	12.0	14.0	18.0	19.0	20.0	21.0
Covered bonds	12.0	15.0	18.0	21.0	27.0	28.5	30.0	31.5
Haircuts for "adequate" collateral assessment (%)								
Sovereigns	5.0	5.0	7.0	7.0	8.0	8.0	9.0	10.0
Covered bonds	7.5	7.5	10.5	10.5	12.0	12.0	13.5	15.0
Haircuts for "moderate" collateral assessment (%)								
Sovereigns	0.5	2.0	2.0	4.0	4.0	4.5	5.0	5.5
Covered bonds	1.0	4.0	4.0	8.0	8.0	9.0	10.0	11.0

(i) The symbol '[' denotes exclusion of the first data point in the range, and the symbol ']' denotes the inclusion of the last data point in the range.