

**PRICING SUPPLEMENT**



**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

(Australian Business Number 11 005 357 522)  
(Incorporated with limited liability in Australia)

**Australian Dollar  
Debt Issuance Programme**

**Series No: 78  
Tranche No: 4**

**A\$500,000,000 Floating Rate Transferable Certificates of Deposit due 10 November 2014 to be consolidated and form a single series with the existing A\$125,000,000 Floating Rate Transferable Certificates of Deposit due 10 November 2014 (Series 78, Tranche 3) and A\$1,250,000,000 Floating Rate Transferable Certificates of Deposit due 10 November 2014 (Series 78, Tranche2) and the existing A\$625,000,000 Floating Rate Transferable Certificates of Deposit due 10 November 2014 (Series 78, Tranche 1)**

**Issue Price: 100.746 per cent.**

**Australia and New Zealand Banking Group Limited  
(Australian Business Number 11 005 357 522)**

**Dealer**

**The date of this Pricing Supplement is 16th September 2011**

This Pricing Supplement contains the final terms of the Securities and must be read in conjunction with the Information Memorandum dated 10 August 2010, except that the Conditions in the form extracted from the Information Memorandum dated 28 November 2008 (and attached hereto) apply.

<b>1</b>	Issuer:	Australia and New Zealand Banking Group Limited
<b>2</b>	<b>(i)</b> Series Number:	78
	<b>(ii)</b> Tranche Number:	4
	(if fungible with an existing Series, include details of that Series, including the date on which the Securities become fungible)	<p>On the Issue Date, the Securities will be consolidated and form a single Series with the existing Transferable Certificates of Deposit of Series 78 (Tranches 1, 2, and 3), creating an Aggregate Nominal Amount of A\$2,500,000,000 for Series 78, comprised of:</p> <p>Tranche 4 ("the Securities"): A\$500,000,000 Floating Rate Transferable Certificates of Deposit due 10 November 2014 and issued on 16 September 2011;</p> <p>Tranche 3: A\$125,000,000 Floating Rate Transferable Certificates of Deposit due 10 November 2014 and issued on 2 March 2011;</p> <p>Tranche 2: A\$1,250,000,000 Floating Rate Transferable Certificates of Deposit due 10 November 2014 and issued on 10 November 2010; and</p> <p>Tranche 1: A\$625,000,000 Floating Rate Transferable Certificates of Deposit due 10 November 2014 and issued on 10 November 2009.</p>
<b>3</b>	Specified Currency:	Australian Dollars (A\$)
<b>4</b>	Aggregate Nominal Amount:	
	<b>(i)</b> Tranche:	A\$500,000,000
	<b>(ii)</b> Series:	A\$2,500,000,000
<b>5</b>	<b>(i)</b> Issue Price:	100.746 per cent. of the Aggregate Nominal Amount
	<b>(ii)</b> Net proceeds:	A\$503,730,000
<b>6</b>	Specified Denomination(s):	A\$1,000
		The minimum aggregate consideration payable by the purchaser or investor must be no less than A\$500,000.
<b>7</b>	<b>(i)</b> Issue Date:	16 September 2011
	<b>(ii)</b> Interest Commencement Date:	10 August 2011
<b>8</b>	Maturity Date:	10 November 2014
<b>9</b>	Interest Basis:	Floating Rate

<b>10</b>	Redemption/Payment Basis:	Redemption at Par
<b>11</b>	Change of Interest or Redemption/Payment Basis:	Not Applicable
<b>12</b>	Put/Call Options:	Not Applicable
<b>13</b>	Status of the Securities:	Transferable Certificates of Deposit
<b>14</b>	Listing:	Australian Securities Exchange
<b>15</b>	Method of distribution:	Non-syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

<b>16</b>	Fixed Rate Security Provisions	Not Applicable
<b>17</b>	Floating Rate Security Provisions	Applicable
<b>(i)</b>	<b>(a)</b> Interest Period(s):	3 months
	<b>(b)</b> Interest Payment Dates:	10 May, 10 August, 10 November and 10 February of each year commencing on 10 November 2011 up to and including the Maturity Date.
	<b>(c)</b> Interest Period Date if not an Interest Payment Date:	Not Applicable
<b>(ii)</b>	Business Day Convention:	Modified Following Business Day Convention
<b>(iii)</b>	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
<b>(iv)</b>	Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s):	Australia and New Zealand Banking Group Limited
<b>(v)</b>	Screen Rate Determination:	Applicable
	- Reference Rate:	3 month BBSW
	- Interest Determination Date(s):	The first day of each Interest Period
	- Relevant Screen Page:	Reuters screen page BBSW
	- Relevant Time:	10:30am
	- Relevant Financial Centre:	Sydney
<b>(vi)</b>	Margin(s):	+1.00 per cent. per annum
<b>(vii)</b>	Minimum Rate of Interest:	Not Applicable
<b>(viii)</b>	Maximum Rate of Interest:	Not Applicable
<b>(ix)</b>	Rate Multiplier	Not Applicable
<b>(x)</b>	Day Count Fraction:	Actual/365 (fixed)

<b>(xi)</b>	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the Conditions:	Not Applicable
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<b>18</b>	Zero Coupon Security Provisions	Not Applicable
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<b>19</b>	Index-Linked Interest Security Provisions	Not Applicable
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**PROVISIONS RELATING TO REDEMPTION**

<b>20</b>	Call Option	Not Applicable
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<b>21</b>	Put Option	Not Applicable
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<b>22</b>	Final Redemption Amount:	Par
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<b>23</b>	Early Redemption Amount:	Par
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Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same (if required or if different from that set out in the Conditions)

**GENERAL PROVISIONS APPLICABLE TO THE SECURITIES**

<b>24</b>	Form of Securities:	Registered
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<b>25</b>	Additional Financial Centre(s) ( <i>for the purposes of the "Business Day" definition</i> ) or other special provisions relating to Interest Payment Dates:	Not Applicable
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<b>26</b>	Public Offer Test compliant	Yes
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<b>27</b>	Details relating to Instalment Notes, including Instalment Amount(s) and Instalment Date(s):	Not Applicable
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<b>28</b>	Consolidation provisions:	Not Applicable
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<b>29</b>	Governing law:	State of Victoria and Commonwealth of Australia
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<b>30</b>	Other terms or special conditions:	Not Applicable
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**DISTRIBUTION**

<b>32</b>	If syndicated, names of Lead Managers and the Dealers:	Not Applicable
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<b>33</b>	If non-syndicated, name of Dealer:	Australia and New Zealand Banking Group Limited (Lead Manager and Sole Dealer)
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<b>34</b>	Additional selling restrictions:	Not Applicable
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**OPERATIONAL INFORMATION**

<b>35</b>	ISIN:	AU000ANZHAFO
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| <b>36</b> | Common Code                                                                              | 046585640                                                                                                                                     |
| <b>37</b> | Any clearing system(s) other than Austraclear and the relevant identification number(s): | The Securities will be lodged in the Austraclear system. Securities may also be held and transacted in the Euroclear and Clearstream systems. |

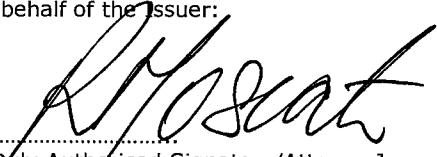
**LISTING APPLICATION**

This Pricing Supplement comprises the details required to list the Securities described herein pursuant to the Australian Dollar Debt Issuance programme as from 16 September 2011.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:   
[Duly Authorised Signatory/Attorney]

**Rick Moscati**  
**Group Treasurer**

***Attachment to Pricing Supplement***  
**Extract of “Conditions of the Securities” from Information**  
**Memorandum dated 28 November 2008**

**INFORMATION MEMORANDUM**



**AUSTRALIA AND NEW ZEALAND**  
**BANKING GROUP LIMITED**

*Australian Business Number 11 005 357 522*  
(Incorporated with limited liability in Australia)

**AUSTRALIAN DOLLAR**  
**DEBT ISSUANCE PROGRAMME**

for the Issue of Medium Term Notes, Subordinated Notes and Transferable Certificates of Deposit

Arranged by  
Australia and New Zealand  
Banking Group Limited

The date of this Information Memorandum is 28 November 2008

## CONDITIONS OF THE SECURITIES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Securities of each Series.*

*Words and expressions defined in the Deed Poll or used in the Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Deed Poll and the Pricing Supplement, the Pricing Supplement will prevail.*

The Securities are constituted by a Deed Poll dated 20 June 2001 as amended and restated on 11 April 2003, 23 April 2004, 26 February 2007 and 28 November 2008 and as further amended and/or supplemented and/or restated as at the Issue Date of the Securities (the **"Deed Poll"**) executed by Australia and New Zealand Banking Group Limited (the **"Issuer"**) and issued with the benefit of the Registry Services Agreement. Copies of the Registry Services Agreement, the Deed Poll and the relevant Pricing Supplement are available to the relevant Registered Holders for inspection at the registered offices of the Issuer and Registrar which are, as at the date hereof:

Issuer: Australia and New Zealand Banking Group Limited, Level 14, 100 Queen Street, Melbourne, Victoria 3000

Registrar: Austraclear Services Limited, Level 4, 20 Bridge Street, Sydney, NSW 2000

The Registered Holders of the Securities and any person claiming through or under a Registered Holder are entitled to the benefit of, are bound by and are deemed to have notice of all of the provisions contained in the Deed Poll (including the relevant Pricing Supplement), the Information Memorandum and the Registry Services Agreement.

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**"Aggregate Nominal Amount"** means, in relation to a Tranche of Securities, the amount specified in the Pricing Supplement or in relation to any Certificate the aggregate Nominal Amount of the Securities to which that Certificate relates.

**"Amortisation Yield"** has the meaning given in Condition 5.3(ii) unless otherwise specified in the Pricing Supplement.

**"Amortised Face Amount"** has the meaning given to it in Condition 5.3(ii) unless otherwise specified in the Pricing Supplement.

**"Austraclear"** means Austraclear Limited (ABN 94 002 060 773).

**"Austraclear Regulations"** means the regulations known as the 'Regulations and Operating Manual' established by Austraclear (as amended from time to time) to govern the use of the Austraclear System.

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

**"Australian Dollars" and "A\$" means the lawful currency for the time being of the Commonwealth of Australia.**

**"Australian Securities Exchange"** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange operated by it (as the context requires).

**"Business Day"** means a day (other than a Saturday or Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in Sydney and in such other places as are specified as **"Additional Financial Centres"** in the Pricing Supplement.

**"Business Day Convention"** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following Business Day Conventions, where specified in the relevant Pricing Supplement in relation to any date applicable to any Security, have the following meanings:

- (i) **"Floating Rate Business Day Convention"** means that the date is postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;
- (ii) **"Following Business Day Convention"** means that the date is postponed to the first following day that is a Business Day;
- (iii) **"Modified Following Business Day Convention"** or Modified Business Day Convention means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day; and
- (iv) **"Preceding Business Day Convention"** means that the date is brought forward to the first preceding day that is a Business Day.

Where no Business Day Convention is specified in a relevant Pricing Supplement, it shall be deemed to be the Modified Following Business Day Convention.

**"Calculation Agent"** means, in respect of a Tranche of Securities, the person specified as the Calculation Agent in the relevant Pricing Supplement. The Calculation Agent must be the same for all Securities in a Series.

**"Certificate"** means a certificate confirming registered ownership of a Security.

**"CHESS"** means the Clearing House Electronic Subregister System operated by the Australian Securities Exchange.

**"Condition"** means the correspondingly numbered condition in these terms and conditions.

**"Corporations Act"** means the Corporations Act 2001 (Cth) of Australia.

**"Day Count Fraction"** means, in relation to the calculation of an amount of interest on any Security for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Accrual Period, the **"Calculation Period"**):

- (i) if **"Actual/360"** is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (ii) if **"Actual/365"** or **"Actual/Actual"** is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (iii) if “**Actual/365 (fixed)**” is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (iv) if “**Actual/Actual (ICMA)**” is specified in the Pricing Supplement:
  - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of:
    - (A) the number of days in such Determination Period; and
    - (B) the number of Determination Periods normally ending in any year; and
  - (B) if the Calculation Period is longer than one Determination Period, the sum of:
    - (A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including an Interest Payment Date in any year to but excluding the next Interest Payment Date;

- (v) if “**30/360**” is specified in the Pricing Supplement, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months); and
- (vi) if “**RBA Bond Basis**” is specified in the Pricing Supplement, one divided by the number of Interest Payment Dates in a year.

“**Early Redemption Amount**” means the amount which may be payable in respect of a Security which is, in relation to a Security other than a Zero Coupon Security, its Nominal Amount or, in relation to a Zero Coupon Security, as specified in Condition 5.3, unless otherwise specified as such in (or calculated or determined in accordance with the provisions of) the relevant Pricing Supplement.

“**Event of Default**” in respect of Medium Term Notes, has the meaning given to it in Condition 10.1 and, in respect of Subordinated Notes, has the meaning given in Condition 10.2.

“**Extraordinary Resolution**” has the meaning given to it in the Meeting Provisions.

“**Final Redemption Amount**” means the amount payable in respect of a Security which is its Nominal Amount unless otherwise specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement.

“**Fixed Rate Security**” means a Security that bears interest at a fixed rate specified in the relevant Pricing Supplement.

**“Floating Rate Security”** means a Security that bears interest at a floating rate specified in the relevant Pricing Supplement.

**“GST”** has the meaning given to it in Section 195-1 of the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**“Index”** means the index applying to a Security, as specified in the relevant Pricing Supplement.

**“Index Linked Interest Security”** means a Security that bears interest at a rate calculated by reference to an Index.

**“Index Linked Redemption Security”** means a Security the Early or Final Redemption Amount in respect of which is calculated by reference to an Index.

**“Index Linked Securities”** means an Index Linked Interest Security or an Index Linked Redemption Security.

**“Interest Amount”** means the amount of interest payable in respect of a Security, and in the case of Fixed Rate Securities, also means the Fixed Coupon Amount or Broken Amount, as the case may be, so specified in the relevant Pricing Supplement;

**“Interest Accrual Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date during the relevant Interest Period, except that the last Interest Accrual Period ends on (and excludes) the Maturity Date or the date of any earlier redemption of a Security in accordance with the Conditions.

**“Interest Commencement Date”** means the Issue Date in respect of Securities or such other date as may be specified in the Pricing Supplement.

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the Pricing Supplement or, if none is so specified the first day of such Interest Accrual Period.

**“Interest Payment Date”** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and adjusted, if not a Business Day, in accordance with the applicable Business Day Convention.

**“Interest Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, except that the final Interest Period ends on (but excludes) the Maturity Date or any other period specified in the Pricing Supplement.

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified in the Pricing Supplement.

**“Issue Date”** means the date of issue of the Securities as specified in or determined in accordance with the relevant Pricing Supplement (and in the case of Transferable Certificates of Deposit will be the same date as the date of acceptance of the relevant Transferable Deposit by the Issuer).

**“Issue Price”** means the issue price for Securities specified in, calculated in or determined in accordance with the provisions of the Pricing Supplement.

**“Issuer”** means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

**“Maturity Date”** means the maturity date specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement and as recorded in the Register.

**“Maximum Rate of Interest”** means the maximum interest rate (if any) specified in, or calculated or determined in accordance with the provisions of the relevant Pricing Supplement.

**“Medium Term Note”** means an unsubordinated Note as more fully described in Condition 3.2.

**“Meeting Provisions”** means the provisions for the convening of meetings of, and passing of resolutions by, Registered Holders set out in Schedule 2 of the Deed Poll.

**“Minimum Rate of Interest”** means the minimum interest rate (if any) specified in, or calculated or determined in accordance with the provisions of the relevant Pricing Supplement.

**“Nominal Amount”** means the notional nominal amount of each Security which will, unless indicated otherwise, be the same amount as the **“Specified Denomination”** of each Security so specified in the relevant Pricing Supplement.

**“Note”** means either an unsubordinated or a subordinated medium term note being a debt obligation of the Issuer owing to a Registered Holder, the details of which are identified in the Register, and, in these Conditions, references to Notes are references to Notes of the relevant Series.

**“Noteholder”** means the Registered Holder of a Note.

**“Offshore Associate”** means an associate (as defined in section 128F of the Income Tax Assessment Act 1936 (Cth) of Australia) of the Issuer that is either a non-resident of the Commonwealth of Australia which does not acquire the Securities in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Securities in carrying on business at or through a permanent establishment outside of Australia.

**“outstanding”** means in relation to the Securities of any Series, all the Securities issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those which have become void or in respect of which claims have become prescribed, and (c) those which have been purchased and cancelled as provided for in the Conditions.

**“Pricing Supplement”** means the pricing supplement document prepared in relation to the Securities of the relevant Tranche.

**“Programme”** means the Australian Dollar Debt Issuance Programme of the Issuer providing for the issue of Notes and Transferable Certificates of Deposit by the Issuer.

**“Rate of Interest”** means the rate of interest payable from time to time in respect of a particular Security and that is either specified or calculated in accordance with the provisions set out in the Pricing Supplement.

**“Record Date”** means, in the case of payments of interest or principal, the date seven days prior to the relevant payment date.

**“Reference Banks”** means the institutions specified as such in the Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate specified in the Pricing Supplement.

**“Reference Rate”** means the rate, if any, specified in the relevant Pricing Supplement.

**“Register”** means the register of Registered Holders maintained by the Registrar in accordance with the Registry Services Agreement or such other relevant agreement between the Registrar and the Issuer.

**“Registered Holder”** means in relation to any Security, a person whose name is for the time being recorded in the Register to signify ownership of the Security. If the Security is owned jointly by more than one person, a Registered Holder includes a person whose name appears in the Register as a joint owner.

**“Registrar”** means Austraclear Services Limited (ABN 28 003 284 419) or such other person appointed and notified by the Issuer.

**“Registry Office”** means the following office of the Registrar: Level 4, 20 Bridge Street, Sydney, NSW 2000 or such other place notified by the Issuer or the Registrar.

**“Registry Services Agreement”** means the Registry Services Agreement dated 20 June 2001 as amended from time to time, between the Registrar and the Issuer.

**“Relevant Date”** in respect of any Security means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Registered Holders that such payment will be made, provided that payment is in fact made.

**“Relevant Financial Centre”** means, with respect to any Floating Rate Security to be determined in accordance with Screen Rate Determination on an Interest Determination Date the financial centre specified as such in the Pricing Supplement or, if none is so specified, the financial centre with which the relevant Reference Rate is most closely connected.

**“Relevant Time”** means, with respect to any Interest Determination Date, the relevant time specified in the Pricing Supplement.

**“Screen Rate Determination”** has the meaning specified in the Pricing Supplement and in Condition 4.2(ii).

**“Security”** means a Transferable Certificate of Deposit, Medium Term Note or Subordinated Note.

**“Series”** means a Tranche of Securities together with any further Tranche or Tranches of Securities which are:

- (i) expressed to be consolidated and form a single Series; and
- (ii) identical in all respects (including as to listing) except for the respective Issue Dates, Interest Commencement Dates, Issue Prices or amounts of the first payment of interest.

**“Solvent”** means at any time in respect of the Issuer:

- (i) it is able to pay all its debts as and when they become due and payable; and
- (ii) its assets exceed its liabilities.

**“Subordinated Note”** means a subordinated Note as more fully described in Condition 3.3.

**“Subordinated Noteholder”** means the Registered Holder of a Subordinated Note.

**“Tranche”** means Securities that are identical in all respects (including as to listing).

**“Transferable Certificate of Deposit”** means a transferable certificate of deposit, issued in respect of a Transferable Deposit, owing to a Registered Holder, the details of which are

recorded in the Register, and, in these Conditions, references to Transferable Certificates of Deposit are references to Transferable Certificates of Deposit of the relevant Series.

**“Transferable Deposit”** means a transferable deposit made by an investor and accepted by the Issuer.

**“Unsubordinated Creditors”** has the meaning contained in Condition 3.3.

**“Zero Coupon Security”** means a Transferable Certificate of Deposit or Note that does not bear interest.

## 1.2 Interpretations

In these Conditions unless the contrary intention appears:

- (i) a reference to Conditions is a reference to these Conditions as supplemented, modified or altered by the relevant Pricing Supplement;
- (ii) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (iii) the singular includes the plural and vice versa;
- (iv) the word **“person”** incorporates a firm, body corporate, an unincorporated association or an authority;
- (v) a reference to a person incorporates references to the person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (vi) a reference to any thing (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively, to any two or more of them collectively and to each of them individually;
- (vii) unless otherwise specified to the contrary, any reference to a particular time is a reference to Sydney time;
- (viii) headings are inserted for convenience and do not affect the interpretation of these Conditions; and
- (ix) all references to the issue or issuance of Securities are to:
  - (a) the issue of Transferable Certificates of Deposit by the Issuer in respect of Transferable Deposits made by investors and accepted by the Issuer; or
  - (b) the issue of Notes by the Issuer; or
  - (c) both as the context requires.

## 2 FORM, DENOMINATION AND TITLE

### 2.1 Constitution

The Securities are registered debt obligations of the Issuer constituted by and owing under the Deed Poll. The obligations of the Issuer in respect of these Conditions and the relevant Pricing Supplement extend to each individual Security and, following on from that, the Registered Holder of each Security without the Registered Holder having to join forces with any other Registered Holder or any predecessor in title of that Registered Holder of a Security.

## **2.2 Title**

Entry of the name of the person purchasing a Security, or the transferee of a Security on the Register at the relevant time will constitute the passing of title of that Security and will be conclusive evidence of that person's entitlements to receive interest and repayment of principal in the manner provided for in these Conditions (subject to rectification for fraud or error). A Security registered in the name of more than one person is held by those persons as joint tenants (unless requested otherwise and in a form satisfactory to the Issuer). Securities will be registered by name only without reference to any trusteeship. Neither the Issuer nor the Registrar is, except as required by law, obliged to take notice of any other claim to a Security.

## **2.3 Independent Obligations**

Each entry in the Register constitutes the separate and individual title of the Registered Holder to the indebtedness of the Issuer to that relevant Registered Holder.

## **2.4 Location of Register**

The Register will be established and maintained by the Registrar at its Registry Office unless otherwise specified in the relevant Pricing Supplement.

## **2.5 Denomination**

- (i) Securities are issued in the Specified Denominations specified in the Pricing Supplement. Securities may only be sold in Australia if the aggregate consideration payable to the Issuer by the purchaser (in the case of a Transferable Certificate of Deposit by way of a deposit with the Issuer) is at least A\$500,000 (disregarding moneys lent by the relevant Issuer or its associates) or if the Securities are otherwise sold in a manner which does not require disclosure to investors in accordance with Part 6D.2 and Part 7 of the Corporations Act.
- (ii) Securities may only be issued by the Issuer in a jurisdiction or jurisdictions other than Australia if the issue is in compliance with the laws of the jurisdiction in which the issue or sale is made and the Securities are otherwise issued or sold in a manner that does not require disclosure to investors under the laws of that jurisdiction or those jurisdictions.

## **2.6 Austraclear**

If Securities are lodged in the Austraclear System, the Registrar will enter Austraclear in the Register as the Registered Holder of those Securities. While those Securities remain in the Austraclear System, all dealings (including transfers and payments) in relation to those Securities within the Austraclear System will be governed by the regulations for the Austraclear System and need not comply with these Conditions to the extent of any inconsistency.

## **2.7 Certificates**

No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to a Security unless the Issuer determines that such certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

## **2.8 Acknowledgment**

Where Austraclear is recorded in the Register as the Registered Holder, each person in whose Security Record (as defined in the Austraclear Regulations) that Security is recorded is deemed to acknowledge in favour of the Registrar and Austraclear that:

- (i) the Registrar's decision to act as the Registrar of the Security does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the Security but only indicates that such Security is considered by the Registrar to be

compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the Security; and

- (ii) the Registered Holder does not rely on any fact, matter or circumstance contrary to Condition 2.8(i).

## 2.9 Australian Securities Exchange Listing

Securities which are listed on the Australian Securities Exchange will not be transferred through or registered on CHESS and will not be CHESS approved securities. In the event that an interface between the Register maintained by the Registrar and CHESS is established the Conditions and any other Programme documents may be amended to facilitate settlement on CHESS and so that the Securities will become CHESS approved securities.

## 3. STATUS

The Securities may be Transferable Certificates of Deposit, Medium Term Notes or Subordinated Notes as specified in the applicable Pricing Supplement.

*The Issuer is an "authorised deposit-taking institution" (an "ADI") within the meaning of that term in the Banking Act 1959 of the Commonwealth of Australia (the "Banking Act").*

*Section 13A(3) of the Banking Act provides that if an ADI becomes unable to meet its obligations or suspends payment, the assets of the ADI in Australia are available to meet the ADI's liabilities in the following order:*

- (i) *first, the ADI's liabilities (if any) to the Australian Prudential Regulatory Authority ("APRA") in respect of the repayment of any amounts which APRA has paid to that ADI's depositors under the financial claims scheme (the "Scheme") established under the Banking Act;*
- (ii) *second, the ADI's debts (if any) to APRA in reimbursement of APRA's costs incurred in exercising its powers and performing its functions under the Scheme in respect of the ADI;*
- (iii) *third, the ADI's deposit liabilities in Australia, other than any such liabilities which are covered by the Scheme and are to be met under paragraph (i) above; and*
- (iv) *fourth, the ADI's other liabilities (in the order of their priority apart from paragraphs (i) to (iii) above).*

*Section 16 of the Banking Act provides that APRA's costs (including costs in the nature of remuneration and expenses) of being in control of an ADI's business, or of having an administrator in control of an ADI's business, are payable from the ADI's funds and are a debt due to APRA. Subject to subsection 13A(3) of the Banking Act, such debts due to APRA by an ADI have priority in a winding-up of the ADI over all other unsecured debts.*

*Further, under section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia (the "Reserve Bank Act"), debts due by a bank to the Reserve Bank of Australia shall in a winding-up of that bank have, subject to section 13A of the Banking Act, priority over all other debts, other than debts due to the Commonwealth of Australia.*

*The above description of the liabilities which are mandatorily preferred by law is not exhaustive.*

### 3.1 Transferable Certificates of Deposit

Transferable Certificates of Deposit constitute senior, direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank at least equally with all other unsecured and unsubordinated obligations of the Issuer, except liabilities mandatorily preferred by law.

The Issuer does not make any representations as to whether the Transferable Certificates of Deposit would constitute the Issuer's deposit liabilities in Australia for the purposes of the Banking Act.

### 3.2 Medium Term Notes

The Medium Term Notes constitute senior, direct, unconditional and unsecured obligations of the Issuer and rank *pari passu* among themselves and *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer (save for certain liabilities mandatorily preferred by law including, but not limited to, sections 13A and 16 of the Banking Act and section 86 of the Reserve Bank Act).

The Medium Term Notes rank senior to the Issuer's subordinated obligations, including the Subordinated Notes.

The Medium Term Notes do not constitute the Issuer's deposit liabilities in Australia for the purposes of the Banking Act.

### 3.3 Subordinated Notes

The Subordinated Notes constitute direct and unsecured subordinated obligations of the Issuer and, unless otherwise specified in the applicable Pricing Supplement, rank *pari passu* among themselves and, unless specified in the applicable Pricing Supplement, rank at *least pari passu* with all other unsecured subordinated obligations incurred or assumed by the Issuer other than those mandatorily preferred by law. In the event of the winding-up of the Issuer (see Condition 11 (Subordination)) and prior to the commencement of the winding-up of the Issuer (see Condition 4.10) the principal amount of, any premium or interest on, and any other payments, including additional amounts, in respect of the Subordinated Notes will be subordinated in right of payment to the claims of all Unsubordinated Creditors but will rank prior to the claims of the holders of any subordinated obligations which rank or are expressed to rank junior to the claims of the Subordinated Creditors.

**“Unsubordinated Creditors”** means all creditors of the Issuer (including all depositors of the Issuer) other than:

- (i) Subordinated Noteholders;
- (ii) creditors whose claims against the Issuer rank *pari passu* with the claims of Subordinated Noteholders, which creditors shall be deemed to include all creditors, present and future, to whom the Issuer is indebted where the terms of such indebtedness:
  - (a) provide that such indebtedness would become due and payable on a specified or determinable date or at the end of a specified or determinable period and that in the event of the winding up of the Issuer the claims of those creditors against the Issuer will be, or are expressed to be, subordinated in right of payment to the claims of all Unsubordinated Creditors of the Issuer; and
  - (b) do not provide that in the event of the winding up of the Issuer the claims of those creditors against the Issuer will rank, or are expressed to rank, ahead of or junior to the claims of any other Unsubordinated Creditors of the Issuer to whom the Issuer is indebted; and
- (iii) creditors whose claims against the Issuer rank, or are expressed to rank, junior to the claims of the Subordinated Noteholders.

The Subordinated Noteholders have no contractual right to set off any sum at any time due and payable to them by the Issuer under or in relation to the Subordinated Notes against amounts owing by the Subordinated Noteholders to the Issuer.

The Subordinated Notes do not limit the amount of liabilities ranking senior to the Subordinated Notes that may be hereafter incurred or assumed by the Issuer.

The Subordinated Notes do not constitute the Issuer's deposit liabilities in Australia for the purposes of the Banking Act.

### 3.4 Commonwealth Guarantee

If specified in the Pricing Supplement in respect of any particular Tranche of Transferable Certificates of Deposit or Medium Term Notes and an 'Eligibility Certificate' (as defined in the Commonwealth Guarantee, as defined below) has been issued pursuant to the Rules (as defined below) in respect of such Tranche of Securities, the Commonwealth of Australia (the "**Commonwealth**") will irrevocably guarantee the due payment of all sums due and payable by the Issuer under such Securities.

The Commonwealth's obligations in that respect are contained in a Deed of Guarantee dated 20 November 2008 (the "**Commonwealth Guarantee**"), and the rules of the Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding (the "**Rules**") (each as amended, supplemented or replaced from time to time), copies of which are available at [www.guaranteescheme.gov.au](http://www.guaranteescheme.gov.au) (as such website may be replaced from time to time) or at the registered office of the Arranger.

## 4. INTEREST AND OTHER CALCULATIONS

### 4.1 Interest on Fixed Rate Securities

Each Fixed Rate Security bears interest on its outstanding Nominal Amount from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. If a Fixed Coupon Amount or a Broken Amount is specified in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the applicable Pricing Supplement.

### 4.2 Interest on Floating Rate Securities and Index Linked Interest Securities

- (i) *Interest Payment Dates:* Each Floating Rate Security and Index Linked Interest Security bears interest on its outstanding Nominal Amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either specified in the Pricing Supplement as the Interest Payment Dates or, if no Interest Payment Date(s) are specified, Interest Payment Date shall mean each date which falls the number of months or other period shown in the Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Rate of Interest for Floating Rate Securities:* The Rate of Interest in respect of Floating Rate Securities for each Interest Accrual Period shall be determined in the manner specified in the Pricing Supplement and the provisions below relating to Screen Rate Determination shall apply (as amended by the Pricing Supplement).

Screen Rate/Reference Bank Determination for Floating Rate Securities

- (x) If Screen Rate Determination is specified in the Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate

of Interest for each Interest Accrual Period shall be (as determined by the Calculation Agent):

- (I) the offered quotation; or
- (II) the arithmetic mean of the offered quotations,

for the Reference Rate in each case appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date;

- (y) if paragraph (x)(I) above applies and no Reference Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the offered quotations that each of the Reference Banks is quoting (or such of them, being at least two, as are so quoting) to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and
  - (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting the Reference Rate, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Reference Rate) that at least two out of five leading banks selected by the Calculation Agent (after consultation with the Issuer) in the Relevant Financial Centre, are quoting at or about the Relevant Time for a period equivalent to the relative Interest Accrual Period to leading banks carrying on business in the Relevant Financial Centre; except that, if fewer than two of such banks are so quoting to such leading banks, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).
- (iii) *Rate of Interest for Index Linked Interest Securities:* The Rate of Interest in respect of Index Linked Interest Securities for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement and interest will accrue by reference to an Index or formula as specified in the relevant Pricing Supplement.

#### **4.3 Zero Coupon Securities**

Where a Security, the Interest Basis of which is specified in the Pricing Supplement to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Security, unless otherwise specified in the Pricing Supplement. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Security shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield.

#### **4.4 Accrual of Interest**

Interest shall cease to accrue on each Security on the due date for redemption unless payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) on the outstanding Nominal Amount of the Security at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date.

#### **4.5 Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding**

- (i) If any Margin or Rate Multiplier is specified in the Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with 5.2 above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph;
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Early, Final or Optional Redemption Amount is specified in the Pricing Supplement, then any Rate of Interest, Instalment Amount or Early, Final or Optional Redemption Amount shall be subject to such maximum or minimum, as the case may be;
- (iii) Subject to the requirements of applicable law, for the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven decimal places (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest cent (with one half cent being rounded up).

#### **4.6 Calculations**

The amount of interest payable in respect of any Security for any Interest Accrual Period shall be calculated by multiplying the product of the Rate of Interest and the outstanding Nominal Amount of such Security by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in the Pricing Supplement in respect of such period, in which case the amount of interest payable in respect of such Security for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

#### **4.7 Determination and Publication of Rate of Interest, Interest Amounts, Early, Final or Optional Redemption Amounts and Instalment Amounts**

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Securities for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Instalment Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Instalment Amount or Optional Redemption Amount to be notified to the Issuer, the Registrar (which will then notify the Registered Holders of the calculation as required by the Issuer to the address of the Registered Holders recorded in the Register), any other Calculation Agent appointed in respect of the Securities that is to make a further calculation upon receipt of such information and, if the Securities are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (y) the commencement of the relevant Interest Accrual Period, if determined prior to such time in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (z) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Accrual Period is subject to adjustment pursuant to the application of a Business Day Convention, the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements

made by way of adjustment) without notice in the event of an extension or shortening of the Interest Accrual Period. If the Securities become due and payable under Condition 10 (Events of Default), the accrued interest and the Rate of Interest payable in respect of the Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

#### **4.8 Calculation Agent and Reference Banks**

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Pricing Supplement and for so long as any Security is outstanding. If any Reference Bank (acting through its relevant offices) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Securities, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

#### **4.9 Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Registrar and all Registered Holders, and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer or the Registered Holders, shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

#### **4.10 Conditions of Payment – Subordinated Notes**

Prior to the commencement of the winding-up of the Issuer (other than under or in connection with a scheme of amalgamation or reconstruction not involving bankruptcy or insolvency):

- (i) the obligations of the Issuer to make payments of principal of, any premium or interest on, and any other payments, including additional amounts, in respect of the Subordinated Notes will be conditional on the Issuer being Solvent at the time of payment by the Issuer; and
- (ii) no payment of principal of, any premium or interest on, and any other payments, including additional amounts, in respect of the Subordinated Notes shall be made unless the Issuer is Solvent immediately after making the payment,

and if, pursuant to this Condition, the Issuer fails to make any payment of principal of, or premium or interest on, or any other payment, including additional amounts, in respect of any Subordinated Note when due, such failure will not constitute an Event of Default for the purposes of Condition 10.2(ii).

A certificate signed by the Issuer, two authorized signatories or an auditor of the Issuer or, if the Issuer is being wound up, its liquidator as to whether the Issuer is Solvent at any time is (in the

absence of willful default, bad faith or manifest error) conclusive evidence of the information contained in the certificate and will be binding on the Subordinated Noteholders. In the absence of any such certificate, the Subordinated Noteholders are entitled to assume (unless the contrary is proved) that the Issuer is Solvent at the time of, and will be Solvent immediately after, any payment on or in respect of the Subordinated Notes.

## **5. REDEMPTION, PURCHASE AND OPTIONS**

### **5.1 Redemption by Instalments and Final Redemption**

- (iv) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or unless the relevant Instalment Date (being one of the dates so specified in the Pricing Supplement) is extended pursuant to the Conditions or any provision of the relevant Pricing Supplement, each Security that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the Pricing Supplement. The outstanding Nominal Amount of each such Security shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the Nominal Amount of such Security, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (v) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to the Conditions or any provision of the relevant Pricing Supplement, each Security shall be finally redeemed on the Maturity Date specified in the Pricing Supplement at its Final Redemption Amount or, in the case of a Security falling within paragraph (i) above, its final Instalment Amount.

### **5.2 Redemption for taxation reasons**

If, as a result of any change in or amendment to the laws or regulations of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of any Security (as specified in the Pricing Supplement), the Issuer has or will become obliged to pay any additional amounts as provided in Condition 8 (Taxation), the Issuer may at its option, at any time (if the Security is neither a Floating Rate Security nor an Index Linked Interest Security) or on any Interest Payment Date (in the case of Floating Rate Securities or Index Linked Interest Securities) on giving not more than 60 nor less than 30 days' notice to the Registered Holders of the relevant Series (which notice shall be irrevocable) redeem all, but not some only, of the Securities of the relevant Series at their Early Redemption Amount together with interest accrued to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due. Prior to the publication of any notice of redemption pursuant to this Condition 5.2, the Issuer shall deliver to the Registrar a certificate signed by two persons each of whom is either a Director, a Senior Executive or an authorised representative (or equivalent status) of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

### **5.3 Early Redemption of Zero Coupon Securities**

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Security that does not bear interest prior to the Maturity Date, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Security pursuant to Condition 5.2, 5.4 or 5.5 or upon it becoming due and payable as provided in Condition 10 (Events of Default), shall be the Amortised Face Amount (calculated as provided below) of such Security unless otherwise specified in the Pricing Supplement.

- (ii) Subject to the provisions of sub-paragraph (iii) below, the **“Amortised Face Amount”** of any such Security shall be the scheduled Final Redemption Amount of such Security on the Maturity Date discounted to the date of its early redemption at a rate per annum (expressed as a percentage) equal to the **“Amortisation Yield”** (which, if none is set out in the Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the Issue Price of the Securities if such Securities were discounted back from the Maturity Date to the relevant Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction set out in the Pricing Supplement.
- (iii) If the Early Redemption Amount payable in respect of any such Security upon its redemption pursuant to Condition 5.2, 5.4 or 5.5 or upon it becoming due and payable as provided in Condition 10 (Events of Default), is not paid when due, the Early Redemption Amount due and payable in respect of such Security shall be the Amortised Face Amount of such Security as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Security becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (after, as well as before, judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Security on the Maturity Date together with any interest that may accrue in accordance with Condition 4.4.

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction.

#### **5.4 Redemption at the Option of the Issuer and Exercise of the Issuer's Options**

If a Call Option is specified in the Pricing Supplement, the Issuer may, on giving not less than 15 or more than 30 days' irrevocable notice (subject to such other notice period as may be specified in the Pricing Supplement under "Option Exercise Date") to the Registered Holders redeem or exercise any Issuer's option (in accordance with the Pricing Supplement) in relation to all or, if so provided, some of the Securities on any Optional Redemption Date. Any such redemption of Securities shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise of the Issuer's option shall just relate to Securities of a Nominal Amount at least equal to the Minimum Redemption Amount to be redeemed specified in the Pricing Supplement and no greater than the Maximum Redemption Amount to be redeemed specified in the Pricing Supplement.

All Securities in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Registered Holders shall also contain details of the Nominal Amount of Securities to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place as may be fair and reasonable in the circumstances, having regard to prevailing market practices and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

#### **5.5 Redemption at the Option of Registered Holders and Exercise of Registered Holders' Options**

If a Put Option is specified in the Pricing Supplement, the Issuer shall, at the option of the Registered Holder of such Security, upon the Registered Holder of such Security giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the Pricing Supplement under "Option Exercise Date"), redeem such Security on the Optional Redemption Date(s) so provided at its Optional Redemption Amount together with interest accrued to the date fixed for redemption. No such notice may be withdrawn without the

prior consent of the Issuer or if, prior to the due date for its redemption or the exercise of the option, the relevant Security becomes immediately due and payable.

To exercise such option or any other Registered Holder's option that may be set out in the Pricing Supplement, the Registered Holder must complete, sign and deliver to the Registrar within the notice period, a redemption notice (in the form obtainable from the Registrar) together with any Certificate held by the Registered Holder relating to the Securities to be transferred and such evidence as the Registrar may require to establish the rights of that Registered Holder to the relevant Securities.

## **5.6 Purchases**

The Issuer is taken to represent as at the date of issue of each Security, that it does not know or have any reasonable grounds to suspect that that Security or any interest in or right in respect of that Security is being or will later be, acquired either directly or indirectly by an Offshore Associate of the Issuer acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Securities or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act.

The Issuer and any of its subsidiaries may, to the extent permitted by applicable laws and regulations, at any time purchase Securities in the open market or otherwise at any price. Securities purchased by the Issuer or any of its subsidiaries may be surrendered by the purchaser through the Issuer to the Registrar for cancellation or, may be held or resold, in each case at the option of the Issuer or the relevant subsidiary. In the event that Securities are purchased by the Issuer or any of its subsidiaries but not cancelled the Issuer or the relevant subsidiary will relinquish any voting rights in respect of those purchased Securities.

## **5.7 Cancellation**

All Securities redeemed by the Issuer or surrendered by the purchaser through the Issuer for cancellation shall be surrendered for cancellation by the Issuer or purchaser notifying the Registrar and surrendering to the Registrar any Certificates held by the Registered Holder relating to the Securities to be cancelled by the Registrar and if so surrendered, the Securities will be cancelled forthwith. Any Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged.

## **5.8 Consent of Australian Prudential Regulatory Authority**

Notwithstanding anything to the contrary in this Condition 5, unless otherwise specified or determined by the Australian Prudential Regulatory Authority ("**APRA**"), the Issuer may not redeem any Subordinated Notes under Conditions 5.2, 5.3, 5.4 or 5.5 above or prior to the Maturity Date under Condition 5.1 above or purchase any Subordinated Notes under Condition 5.6 above without the prior written approval of APRA. In addition, unless otherwise specified or determined by APRA, the prior written approval of APRA is required to modify the terms of any Series of Subordinated Notes.

# **6. PAYMENTS**

## **6.1 Payments by the Issuer**

- (i) Payments in respect of interest or principal on any Security made by the Issuer to Registered Holders will be made in accordance with details recorded with the Registrar by 5:00 pm local Registry Office time on the relevant Record Date.
- (ii) When a Security is recorded in the Register as being held jointly, payment of interest or principal (as the case may be) by the Issuer will be made to the Registered Holders in their joint names unless requested otherwise (and in a form satisfactory to the Issuer) by 5:00 pm local Registry Office time on the relevant Record Date.

## **6.2 Method of Payment**

Payments in respect of each Security will be made:

- (i) where the Securities are lodged in the Austraclear System, by crediting on the relevant Interest Payment Date or Maturity Date (determined in accordance with the Business Day Convention specified in the relevant Pricing Supplement) the amount then due to the account of the relevant Registered Holder in accordance with the Austraclear Regulations; or
- (ii) if the relevant Securities have not been lodged or are removed from the Austraclear System, by crediting on the relevant Interest Payment Date, in the case of payments of interest, or the Maturity Date, in the case of payments of principal, the amount then due to a bank account in Australia previously notified by the Registered Holder to the Registrar. Each Interest Payment Date and Maturity Date shall be determined in accordance with the Business Day Convention specified in the relevant Pricing Supplement. If the Registered Holder has not notified the Registrar of such an account by 5.00pm local Registry Office time on the relevant Record Date or upon application by the Registered Holder to the Registrar no later than 5.00pm local Registry Office time on the relevant Record Date, payments in respect of the relevant Security will be made by cheque mailed on the Business Day immediately preceding the relevant Interest Payment Date in the case of payments of interest or on the Maturity Date, in the case of payments of principal, at the Registered Holder's risk to the Registered Holder (or to the first named of joint Registered Holders) of such Security at the address appearing in the Register as at 5.00pm local Registry Office time on the relevant Record Date. Cheques to be despatched to the nominated address of a Registered Holder will in such case be deemed to have been received by the Registered Holder on the relevant Interest Payment Date, in the case of payments of interest, or the Maturity Date, in the case of payments of principal, and no further amount will be payable by the Issuer in respect of the relevant Security as a result of payment not being received by the Registered Holder on the due date.

No payment of interest will be mailed to an address in the United States or transferred to an account maintained by the Registered Holder in the United States.

## **6.3 Payments Subject to Fiscal Laws**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8 (Taxation). No commission or expenses shall be charged to the Registered Holders in respect of such payments.

## **6.4 Appointment of Agents**

The Registrar and (if appointed) the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Registered Holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Registrar or (if appointed) the Calculation Agent, provided that the Issuer shall at all times maintain (i) a Registrar, (ii) one or more Calculation Agent(s) where the Conditions so require, and (iii) such other agents as may be required by the rules of any stock exchange, listing authority and/or quotation system on which the Securities may be admitted to listing, trading and/or quotation. Notice of any change to the specified office of the Registrar or the Calculation Agent shall promptly be given to the Registered Holders in accordance with Condition 14 (Notices).

## **7 TRANSFER**

### **7.1 Transfer**

- (i) Unless Securities are lodged in the Austraclear System, and subject to Condition 7.2, all applications to transfer Securities must be made by lodging with the Registrar a properly completed transfer and acceptance form in the form approved by the Issuer and the

Registrar. Any Certificate relating to the Securities to be transferred must also be surrendered to the Registrar. Transfer and acceptance forms are available from any Registry Office. Each Registry Office will provide prompt marking and transfer services. Each transfer form must be accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the Security, and be signed by both the transferor and the transferee. The transfer takes effect upon the transferee's name being entered on the Register.

- (ii) Securities lodged in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

## **7.2 Limit on Transfer**

- (i) Securities may only be transferred within, to or from Australia in the denominations specified in the Pricing Supplement and if the consideration payable at the time of transfer is a minimum amount of A\$500,000 (in either case, disregarding moneys lent by the transferor or its associates) or the transfer otherwise does not require disclosure to investors in accordance with Part 6D.2 and Part 7 of the Corporations Act.
- (ii) Securities may only be transferred between persons in a jurisdiction or jurisdictions other than Australia if the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place and the transfer of the Securities otherwise does not require disclosure to investors in accordance with the laws of the jurisdiction in which the transfer takes place.

## **7.3 Partial Transfers**

Where a transferor executes a transfer of less than all Securities registered in its name, and the identity of the specific Securities to be transferred are not identified, the Registrar may register the transfer in respect of such of the Securities registered in the name of the transferor as the Registrar thinks fit, provided the total Nominal Amount of the Securities registered as having been transferred equals the total Nominal Amount of the Securities expressed to be transferred in the transfer.

## **7.4 Closed Period**

A transfer of a Security shall not be effective unless and until entered on the Register. The Register will be closed for the purpose of determining entitlements to payments of interest and repayments of any Nominal Amount at 5:00 pm local Registry Office time on the Record Date prior to the relevant Interest Payment Date, the relevant Maturity Date and any relevant redemption date. Therefore, transfers must be received by the Registrar at the relevant Registry Office prior to that time.

## **7.5 Stamp Duty**

The Registered Holder is responsible for any stamp duties or other similar taxes which are payable in any jurisdiction in connection with any transfer, assignment or other dealing with the Securities.

## **7.6 Transmission**

The Registrar must register a transfer of a Security to or by a person who is entitled to make or receive the transfer in consequence of:

- (i) death, bankruptcy, liquidation or winding up of a Registered Holder; or
- (ii) the making of a vesting order by a court or other body with power to make the order, on receiving the evidence of entitlement that the Registrar or the Issuer requires.

## 7.7 Austraclear Services Limited as Registrar

If Austraclear Services Limited is the Registrar and Securities are lodged in the Austraclear System, despite any other provision of those Conditions, these Securities are not transferable on the Register, and the Issuer may not, and must procure that the Registrar does not, register any transfer of those Securities issued by it and no member of the Austraclear System has the right to request any registration of any transfer of the relevant Securities, except:

- (i) for the purposes of any repurchase, redemption or cancellation (whether on or before the Maturity Date of the relevant Security) of the relevant Security, a transfer of the relevant Security from Austraclear to the Issuer may be entered in the Register; and
- (ii) if Austraclear exercises or purports to exercise any power it may have under the Austraclear Regulations from time to time for the Austraclear System or these Conditions, to require the relevant Security to be transferred on the Register to a member of the Austraclear System, the relevant Security may be transferred on the Register from Austraclear to the member of the Austraclear System.

In any of these cases, the relevant Security will cease to be held in the Austraclear System.

## 8. TAXATION

### 8.1 General

Subject as provided below, all payments of principal and interest in respect of the Securities shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Commonwealth of Australia or by any authority therein or thereof having power to tax (together **Taxes**), unless such withholding or deduction is required by law.

### 8.2 Issuer to pay Additional Amounts

Where such withholding or deduction is required by law, subject to Condition 8.3 (Commonwealth Government Guarantee), the Issuer shall pay such additional amounts to the Registered Holders as shall result in receipt by those Registered Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Security:

- (i) in respect of which the Registered Holder thereof is liable to such Taxes, duties, assessments or governmental charges in respect of such Security by reason of its having some connection with the Commonwealth of Australia, other than the mere holding of such Security or the receipt of the relevant payment in respect thereof; or
- (ii) in respect of which the Registered Holder thereof is an Offshore Associate of the Issuer (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act); or
- (iii) in respect of which the Taxes have been imposed or levied as a result of the Registered Holder of such Security being party to or participating in a scheme to avoid such Taxes, being a scheme which the Issuer was neither a party to nor participated in; or
- (iv) to, or to a third party on behalf of, an Australian resident Registered Holder or a non-resident Registered Holder who is engaged in carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that person has not supplied an appropriate tax file number, Australian business number or other exemption details.

### 8.3 Commonwealth Government Guarantee

For the avoidance of doubt, Condition 8.2 (Issuer to pay Additional Amounts) does not apply to any withholding or deduction for any Taxes in respect of the Commonwealth Guarantee.

In the event that any payment made by the Commonwealth in respect of the Commonwealth Guarantee is made subject to deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of any nature, no additional amounts shall be payable by the Commonwealth in respect of such deduction or withholding.

### 8.4 Tax File Number

The Issuer will deduct tax from payments of interest on the Securities at the highest marginal tax rate plus the highest Medicare levy if an Australian resident investor or a non-resident investor carrying on business in Australia at or through a permanent establishment of the non-resident in Australia has not supplied an appropriate tax file number, Australian Business Number or exemption details.

### 8.5 References

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Securities, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 (Redemption, Purchase and Options), or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 (Interest and other Calculations), or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or substitution for it under the Deed Poll. Any additional amounts due in respect of the Subordinated Notes will be subordinated in right of payment as described in Condition 3.3 (Status – Subordinated Notes), Condition 4.10 (Condition of Payment – Subordinated Notes) and Condition 11 (Subordination).

If the Issuer is or becomes subject at any time to any taxing jurisdiction other than or in addition to the Commonwealth of Australia, references in Condition 5.2 and Condition 8 shall be read and construed as including references to such other taxing jurisdiction(s).

## 9. PRESCRIPTION

Claims against the Issuer for payment in respect of the Securities shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10. EVENTS OF DEFAULT

### 10.1 Medium Term Notes

If any one of the following events (“**Events of Default**”) occurs and is continuing, the Registered Holder of any Medium Term Note of any Series may give written notice to the Registrar at its Registry Office that such Medium Term Note is immediately repayable, whereupon it shall immediately become due and repayable at its Early Redemption Amount together with accrued interest to the date of payment unless, prior to the date that such written notice is received by the Registrar, the Issuer shall have cured or otherwise made good all Events of Default in respect of the Medium Term Notes of such Series:

- (i) default is made in the payment of any principal or Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Instalment Amount or Amortised Face Amount (in the case of a Zero Coupon Security) (whether becoming due upon

redemption or otherwise) or interest when due, in respect of any Medium Term Note of such Series, and such default continues for a period of seven days; or

- (ii) the Issuer fails to perform or observe any of its obligations under any Medium Term Note of such Series other than those specified in paragraph (i) above and in such case (except where such failure is incapable of remedy) such failure continues for a period of 30 days next following the service by any Registered Holder of any Medium Term Note of such Series on the Issuer of written notice requiring the same to be remedied; or
- (iii) the maturity of any indebtedness for borrowed money of the Issuer amounting in aggregate to U.S.\$10,000,000 principal amount (not being moneys borrowed in the ordinary course of banking business) shall have been accelerated by or on behalf of the holder of such indebtedness in accordance with the terms thereof or any agreement relating thereto or any such indebtedness shall not have been paid when due on maturity and such default shall not have been cured within the grace period, if any, originally applicable thereto or default shall be made by the Issuer in honouring when called upon any guarantee or indemnity given by the Issuer in respect of any such indebtedness of others and such default shall not have been cured within the grace period, if any, originally applicable thereto; and such acceleration or default, as the case may be, is not being contested in good faith by the Issuer and is not cured or otherwise made good within seven days after the date upon which written notice of such default shall have been given to the Issuer by or on behalf of the Registered Holder of any Medium Term Note of such Series, provided that the failure by the Issuer duly to make payment under any leveraged lease facility or similar financial transaction in consequence of the relevant lessee failing to place the Issuer in funds shall not of itself constitute a breach of this paragraph (iii). For this purpose "**leveraged lease facility**" means financial arrangements involving ownership of assets by a lessor, lessor partnership or other entity (an "**owner**") which is leased or made available to the lessee or user, the acquisition of which shall have been made with the assistance of a loan or loans on security which will include the property or funds accruing to the owner in respect of such property under the terms of the lease or agreement by which the assets are made available to the lessee or user or on security which includes both such property and such funds; or
- (iv) otherwise than for the purpose of an amalgamation or reconstruction or merger within the meaning of these words under the laws of the Commonwealth of Australia, a resolution is passed that the Issuer be wound up or dissolved; or
- (v) the Issuer stops payment (within the meaning of Australian or any other applicable bankruptcy law) of its obligations; or
- (vi) an encumbrancer takes possession of or a receiver is appointed of the whole or a substantial part of the undertaking and assets of the Issuer and any such event is continuing for 45 days after its occurrence and would materially prejudice the performance by the Issuer of its obligations under the Medium Term Notes of such Series or a distress or execution is levied or enforced upon or sued out against the whole or a substantial part of the undertaking and assets of the Issuer which would materially prejudice the performance of the Issuer of its obligations under the Medium Term Notes of such Series and is not discharged within 60 days thereof; or
- (vii) proceedings shall have been initiated against the Issuer under any applicable bankruptcy, reorganisation or other similar law and such proceedings shall not have been discharged or stayed within a period of 60 days; or
- (viii) the Issuer shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, insolvency, composition or other similar law (otherwise than for the purpose of amalgamation, reconstruction or merger (within the meaning of those words under the laws of the Commonwealth of Australia)) and such proceedings would materially prejudice the performance by the Issuer of its obligations under the Medium Term Notes of such Series.

## 10.2 Subordinated Notes

The following are Events of Default with respect to Subordinated Notes:

- (i) (a) the making of an order by a court of the State of Victoria, Commonwealth of Australia or a court with appellate jurisdiction from such court which is not successfully appealed or permanently stayed within 60 days of the entry of such order; or
  - (b) the valid adoption by the Issuer 's shareholders of an effective resolution,in each case for the winding up of the Issuer (other than under or in connection with a scheme of amalgamation or reconstruction not involving bankruptcy or insolvency); and
- (ii) Subject to Condition 4.10:
  - (a) default in the payment of interest on any Subordinated Note when due, continued for 30 days; or
  - (b) default in the payment of principal of, or any premium on, any Subordinated Note when due.

Upon the occurrence of an Event of Default specified in paragraph (i) above, subject to the subordination provisions, the principal amount of, and all accrued and unpaid interest on, the Subordinated Notes will automatically become due and payable.

If an Event of Default contemplated by paragraph (ii) above with respect to any Subordinated Notes occurs and is continuing, a Subordinated Noteholder may only, in order to enforce the obligations of the Issuer under such Subordinated Notes:

- (A) notwithstanding the provisions of paragraph (B) below, institute proceedings in the State of Victoria, Commonwealth of Australia (but not elsewhere) for the winding up of the Issuer (all subject to, and in accordance with, the terms of Condition 11 (*Subordination*)); or
- (B) institute proceedings for recovery of the money then due, provided that the Issuer will not, by virtue of the institution of any such proceedings (other than proceedings for the winding up of the Issuer) be obliged to pay any sums representing principal or interest in respect of the Subordinated Notes sooner than the same would otherwise have been payable by it and provided that the Issuer is Solvent at the time of, and will be Solvent immediately after, any such payment.

No remedy against the Issuer other than those referred to in this Condition 10.2, shall be available to the Subordinated Noteholders, whether for the recovery of amounts owing in respect of the Subordinated Notes or in respect of any breach by the issuer of any of its other obligations under or in respect of the Subordinated Notes.

## 10.3 Notification

If an Event of Default occurs under Conditions 10.1 or 10.2 above, the Issuer will promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default specifying details of it and use its reasonable endeavours to procure that the Registrar promptly notifies the Registered Holder's of the occurrence of the Event of Default by registered post to the address of the Registered Holders recorded in the Register.

## **11. SUBORDINATION**

In the event of the winding up of the Issuer constituting an Event of Default with respect to the Subordinated Notes, there shall be payable with respect to the Subordinated Notes, subject to the subordination provisions discussed above (see Condition 3.3 (Status – Subordinated Notes) and Condition 4.10 (Condition of Payment – Subordinated Notes), an amount equal to the principal amount of the Subordinated Notes then outstanding, together with all accrued and unpaid interest thereon to the repayment date.

As a result of the subordination provisions, no amount will be payable in the winding up of the Issuer in Australia in respect of the Subordinated Notes until all claims of Unsubordinated Creditors admitted in the winding up have been satisfied in full. By subscription for, or transfer of, Subordinated Notes to a Subordinated Noteholder, that Subordinated Noteholder will be taken to have agreed that no amount in respect of the Subordinated Notes will be repaid until all the claims of the Unsubordinated Creditors admitted in the winding up have been satisfied accordingly. Accordingly, if proceedings with respect to the winding up of the Issuer in Australia were to occur, the Subordinated Noteholders could recover less relative to the holders of deposit liabilities, the holders of Medium Term Notes and the holders of prior ranking subordinated liabilities of the Issuer. For the avoidance of doubt, the Subordinated Notes do not constitute deposit liabilities of the Issuer.

If in any such winding up, the amount payable with respect to the Subordinated Notes and any claims ranking equally with the Subordinated Notes cannot be paid in full, the Subordinated Notes and other claims ranking equally with the Subordinated Notes will share relatively in any distribution of the Issuer's assets in a winding up in proportion to the respective amounts to which they are entitled.

In addition, because the Issuer is a holding company as well as an operating company, the rights of the Issuer, its creditors and of the Subordinated Noteholders to participate in the assets of any of the Issuer's subsidiaries upon the liquidation of such subsidiary will be subject to the prior claims of the subsidiary's creditors, except to the extent that the Issuer itself may be a creditor with recognised claims against that subsidiary.

## **12. MEETING OF REGISTERED HOLDERS, MODIFICATIONS AND WAIVER**

### **12.1 Meetings of Registered Holders**

Meetings of Registered Holders may be convened in accordance with the Meeting Provisions contained in Schedule 2 to the Deed Poll. Any such meeting may consider any matters affecting the interests of Registered Holders, including, without limitation, the variation of the terms of the Securities by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

### **12.2 Modification of the Deed Poll**

The Deed Poll may be amended by the Issuer, without the consent of any Registered Holder for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein which does not, in the reasonable opinion of the Issuer, adversely affect the interests of the Registered Holders. All other amendments to the Deed Poll must be passed at a duly convened meeting of Registered Holders by an Extraordinary Resolution. The Issuer will notify the Registrar of any amendments made pursuant to this Condition and will use its reasonable endeavours to procure that the Registrar notifies the Registered Holders of the amendment by post to the address of the Registered Holders recorded in the Register.

## **13. FURTHER ISSUES OF SECURITIES**

The Issuer may from time to time without the consent of the Registered Holders create and issue further securities either having the same terms and conditions as the Securities in all respects (or in all respects except for the Issue Date or first payment of interest on them) and so that such further issue of securities shall be consolidated and form a single Series with the

outstanding Securities of any Series or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single Series with the Securities.

## **14. NOTICES**

### **14.1 To Registered Holders**

All notices by the Issuer to Registered Holders will be valid if posted by ordinary mail to the relevant Registered Holder at its address appearing on the Register (or in the case of joint Registered Holders to the first named).

Any such notice shall be deemed to have been given on the third Business Day after posting if posted to an address in Australia and on the seventh Business Day if posted to an address outside of Australia.

### **14.2 To the Issuer and Registrar**

All notices by a Registered Holder to the Issuer and Registrar will be valid if posted by ordinary mail to the Issuer and the Registrar at their addresses specified above. Unless a later time is specified in it, a notice takes effect from the time it is received by the Issuer or Registrar except that if it is received after 5.00pm in the place of receipt or not on a Business Day, it is to be taken to be received at 9.00am on the next succeeding Business Day in that place.

## **15. GOVERNING LAW**

The Securities are governed by the laws in force in the State of Victoria and the Commonwealth of Australia.