National Australia Bank Limited
ABN 12 004 044 937
Level 1, 800 Bourke Street
Melbourne, Victoria 3008
Australia

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Thursday, 26 March 2015

NATIONAL AUSTRALIA BANK
ISSUE OF $1,100,000,000 FLOATING RATE SUBORDINATED MEDIUM TERM NOTES DUE 26 MARCH 2025

NOTICE UNDER SECTION 708A(12G)(e) CORPORATIONS ACT 2001 (CTH)

National Australia Bank Limited ("**Issuer**") will today issue $1,100,000,000 floating rate subordinated medium term notes due 26 March 2025 pursuant to its domestic Debt Issuance Programme (the "**Subordinated MTNs**").

The Subordinated MTNs convert into fully paid ordinary shares of the Issuer ("**Ordinary Shares**") where the Australian Prudential Regulation Authority ("**APRA**") determines this to be necessary on the grounds that the Issuer would otherwise become non-viable.

This notice is a cleansing notice prepared for the purposes of section 708A(12G)(e) of the Corporations Act 2001 (Cth) ("**Corporations Act**") (as inserted by ASIC Instrument 14-1156) to enable fully paid Ordinary Shares issued on conversion of the Subordinated MTNs to be freely tradeable without further disclosure and includes:

- in schedule 1, a description of the rights and liabilities attaching to, and the commercial particulars of, the Subordinated MTNs, contained in the Subordinated MTN Pricing Supplement ("**Pricing Supplement**"); and

- in schedule 2, a description of the rights and liabilities attaching to Ordinary Shares.

Words and expressions defined in the Pricing Supplement have the same meanings in the remainder of this cleansing notice unless the contrary intention appears.

The issue of Subordinated MTNs by the Issuer will not have a material impact on the Issuer's financial position. If a Non-Viability Trigger Event occurs and the Issuer issues Ordinary Shares, the impact of Conversion on the Issuer would be to increase the Issuer's shareholders' equity. The number of Ordinary Shares issued on Conversion is limited to the Maximum Conversion Number. The Maximum Conversion Number is 130.6848 Ordinary Shares per Subordinated MTN (with a denomination of $1,000), based on the Issue Date VWAP of $38.26.

As a disclosing entity, the Issuer is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Broadly, these obligations require the Issuer to prepare and lodge with the Australian Securities & Investments Commission ("**ASIC**") both yearly and half yearly financial statements, to report on its operations during the relevant accounting periods, and to obtain audit or review reports from its auditor in respect of those accounting periods.

Copies of documents lodged with ASIC may be obtained from or inspected at an ASIC office.

The Issuer must ensure that the ASX is continuously notified of information about specific events and matters as they arise for the purposes of ASX making the information available to the Australian securities market. In this regard, the Issuer has an obligation under the Corporations Act and ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information concerning it of which it becomes aware, and which a reasonable person would expect to have a material effect on the price or value of its quoted securities.

The Issuer will provide a copy of any of the following documents free of charge to any person who requests a copy before the Subordinated MTNs are issued:

- the Issuer's annual financial report for the year ended 30 September 2014;

- any continuous disclosure notices given by the Issuer in the period after the lodgement of the annual financial report of the Issuer for the year ended 30 September 2014 and before the date of this notice); and

- the Issuer's constitution.

All written requests for copies of the above documents should be addressed to:

Company Secretary
National Australia Bank Limited
Level 1
800 Bourke Street
Docklands VIC 3008

These documents are also available at www.nabgroup.com.au.

This Notice is not a prospectus or other disclosure document in relation to the Subordinated MTNs, and does not constitute an offer or invitation for the Subordinated MTNs or any Ordinary Shares for issue or sale in Australia. Subordinated MTNs are only available for sale to persons in Australia in circumstances where disclosure is not required in accordance with Part 6D.2 of the Corporations Act and the sale is not to a retail client for the purposes of Chapter 7 of the Corporations Act.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES.

The Subordinated MTNs have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any other applicable U.S. state securities laws and, accordingly, may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act) except (i) pursuant to an exemption from registration under the Securities Act or to an effective registration statement under the Securities Act covering the Subordinated MTNs and (ii) in accordance with all applicable state securities laws of any state of the United States. This notice does not constitute an offer or invitation to any U.S. persons.

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Schedule 1 – Description of the rights and liabilities attaching to, and commercial particulars of, the Subordinated MTNs

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Subordinated MTN Pricing Supplement

Series No.: 173

Tranche No.: 1

National Australia Bank Limited
(ABN 12 004 044 937)

Debt Issuance Programme

Issue of
A$1,100,000,000 Floating Rate Subordinated MTNs due 26 March 2025

This document (including the terms and conditions set out in Annex 1 (the "**MTN Terms and Conditions**")) constitutes the Pricing Supplement for the Tranche of Medium Term Notes ("**MTNs**" or "**Subordinated MTNs**") referred to above. The date of this Pricing Supplement is 25 March 2015. It is supplementary to, and should be read in conjunction with the MTN Deed Poll dated 11 November 2003, amended and restated as at 5 September 2014 and previously amended and restated as at 15 May 2007, 12 March 2009, 23 August 2011 and 5 March 2014 made by the Issuer and the disclosure in the Information Memorandum in relation to the above Programme.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Subordinated MTNs or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Subordinated MTNs referred to above are as follows:

1	**Issuer**	**:**	National Australia Bank Limited
2	**Type of Issue**	**:**	Syndicated Issue
3	**Public Offer Test Compliant**	**:**	It is the Issuer's intention that this issue of Subordinated MTNs will be issued in a manner which will seek to satisfy the Public Offer Test
4	**Relevant Dealer**	**:**	National Australia Bank Limited
5	**Lead Manager**	**:**	National Australia Bank Limited
6	**Registrar**	**:**	Austraclear Services Limited (ABN 28 003 284 419)
7	**Calculation Agent**	**:**	Austraclear Services Limited (ABN 28 003 284 419)
8	**If to form a single Series with an existing Series, specify date on which all MTNs of the Series become fungible, if not the Issue Date**	**:**	Not Applicable
9	**Aggregate Principal Amount of Tranche**	**:**	A$1,100,000,000
10	**Aggregate Principal Amount of Series (including the Tranche)**	**:**	A$1,100,000,000
11	**If interchangeable with existing Series**	**:**	Not Applicable
12	**Issue Date**	**:**	26 March 2015
13	**Purchase Price**	**:**	100 per cent. per Denomination

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14	**Denomination**	**:**	A$1,000 The minimum aggregate consideration for offers or transfers of the Subordinated MTNs in Australia must be at least $500,000 (disregarding moneys lent by the transferor or its associates to the transferee), unless the offer or invitation resulting in the transfer does not otherwise require disclosure in accordance with Part 6D.2 of the Corporations Act of Australia and is not an offer or invitation to a retail client for the purposes of Chapter 7 of the Corporations Act of Australia.
15	**Type of MTNs**	**:**	Subordinated Floating Rate
16	**If MTNs are interest-bearing, specify whether they are:**		
	(a) Fixed Rate	**:**	No
	(b) Floating Rate	**:**	Yes
	(c) Other MTNs	**:**	No
17	**If the MTNs are Fixed Rate, specify**	**:**	Applicable: No
	(a) Fixed Coupon Amount	**:**	Not Applicable
	(b) Interest Rate	**:**	Not Applicable
	(c) Interest Commencement Date, if not Issue Date	**:**	Not Applicable
	(d) Interest Payment Dates	**:**	Not Applicable
	(e) Business Day Convention	**:**	Not Applicable
	(f) Relevant Financial Centre(s)	**:**	Not Applicable
	(g) Day Count Fraction	**:**	Not Applicable
18	**If the MTNs are Floating Rate, specify**	**:**	Applicable: Yes
	(a) Interest Commencement Date	**:**	Issue Date
	(b) Interest Rate	**:**	The aggregate of the Bank Bill Rate and the Margin (to four decimal places)
	(c) Interest Payment Dates	**:**	Each 26 March, 26 June, 26 September and 26 December commencing 26 June 2015 to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention
	(d) Business Day Convention	**:**	Modified Following Business Day Convention
	(e) Margin	**:**	plus 1.85 per cent. per annum
	(f) Minimum/Maximum Interest Rate	**:**	Not Applicable
	(g) Day Count Fraction	**:**	Actual/365 (Fixed)
	(h) Fallback Interest Rate	**:**	Not Applicable
	(i) Linear Interpolation	**:**	Applicable: No

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	(j) Floating Rate Option	**:**	Bank Bill Rate Determination
	(k) Designated Maturity	**:**	Not Applicable
	(l) Reset Date	**:**	Not Applicable
	(m) Relevant Screen Page	**:**	Not Applicable
	(n) Relevant Time	**:**	Not Applicable
	(o) Reference Rate	**:**	Not Applicable
	(p) Reference Banks	**:**	Not Applicable
	(q) Relevant Financial Centre	**:**	Not Applicable
	(r) Interest Determination Date	**:**	Not Applicable
19	**If the MTNs are not Fixed Rate or Floating Rate, is another rate or amount of interest payable?**	**:**	Applicable: No
20	**Accrual of interest**	**:**	No change to Condition 11.6 of the MTN Terms and Conditions
21	**Default Rate**	**:**	Not Applicable
22	**Overdue Rate**	**:**	Applicable: No
23	**Amortisation Yield**	**:**	Not Applicable
24	**Maturity Date**	**:**	The Interest Payment Date falling on or around 26 March 2025
25	**Redemption Amount**	**:**	Outstanding Principal Amount
26	**Early redemption at the option of the Issuer (Issuer call)**		
	(a) Are the MTNs redeemable before their Maturity Date at the option of the Issuer under Condition 12.6?	**:**	Applicable: Yes
	(b) If the amount payable on redemption is not the Redemption Amount together with any interest accrued on the MTNs, insert amount or full calculation provisions:	**:**	Not Applicable
	(c) Specify minimum notice period for the exercise of the call option	**:**	15 days
	(d) Specify maximum notice period for the exercise of the call option	**:**	60 days
	(e) Early Redemption Date (Issuer Call)	**:**	The Interest Payment Date falling on or nearest to 26 March 2020 and each Interest Payment Date thereafter up to but excluding the Maturity Date.
	(f) Specify any relevant conditions to exercise of option	**:**	Not Applicable
	(g) Specify whether redemption at		

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	Issuer's option is permitted in respect of some only of the MTNs and, if so, any minimum aggregate principal amount and the means by which MTNs will be selected for redemption	**:**	Yes, the Issuer may redeem all or some Subordinated MTNs at its discretion under Condition 12.6
	(h) Specify if MTN Holders are not to receive accrued interest on early redemption at the option of the Issuer	**:**	Not Applicable
27	**Early redemption at the option of MTN Holders (investor put)**		
	(a) Are the MTNs redeemable before their Maturity Date at the option of MTN Holders under Condition 12.5	**:**	Applicable: No
	(b) If the amount payable on redemption is not the Redemption Amount together with any interest accrued on the MTNs, insert amount or full calculation provisions:	**:**	Not Applicable
	(c) Specify minimum notice period for exercise of put option	**:**	Not Applicable
	(d) Specify any relevant conditions to exercise of option	**:**	Not Applicable
	(e) Specify if MTN Holders are not to receive accrued interest on early redemption at their option	**:**	Not Applicable
28	**Early redemption for taxation reasons**		
	(a) If the amount payable on redemption is not the Redemption Amount together with accrued interest (if any) thereon of the MTNs, insert amount or full calculation provisions	**:**	Not Applicable
	(b) Specify if MTN Holders are not to receive accrued interest on early redemption for taxation reasons	**:**	Not Applicable
29	**Early Redemption of Subordinated MTNs for other taxation reasons**		
	(a) Are the Subordinated MTNs redeemable before their Maturity Date at the option of the Issuer under Condition 12.3?	**:**	Applicable: Yes
	(b) If the amount payable on redemption is not the Redemption Amount together with accrued interest (if any) thereon of the Subordinated MTNs, insert amount or full calculation provisions	**:**	Not Applicable
	(c) Specify if Subordinated MTN Holders are not to receive accrued interest on early redemption for loss of tax deductibility	**:**	Not Applicable

30 Early redemption of Subordinated MTNs for regulatory reasons

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	(a) Are the Subordinated MTNs redeemable By the Issuer under Condition 12.4	**:**	Applicable: Yes
	(b) If the amount payable on redemption is not the Redemption Amount together with any interest accrued on the Subordinated MTNs, insert amount or full calculation provisions	**:**	Not Applicable
	(c) Specify minimum notice period for the exercise of this call option	**:**	15 days
	(d) Specify maximum notice period for the exercise of this call option	**:**	60 days
	(e) Specify whether redemption at Issuer's option is permitted in respect of some only of the Subordinated MTNs and, if so, any minimum aggregate principal amount and the means by which Subordinated MTNs will be selected for redemption	**:**	Yes, the Issuer may redeem all or some Subordinated MTNs at its discretion under Condition 12.4.
	(f) Specify if Subordinated MTN Holders are not to receive accrued interest on early redemption at the option of the Issuer	**:**	Not Applicable
31	**Is the Write-Off option of the Subordinated MTNs applicable under Condition 13A.11**	**:**	Applicable: No
32	**Is the Conversion option of the Subordinated MTNs applicable under Condition 13A.4**	**:**	Applicable: Yes
	(a) CD	**:**	1%
	(b) VWAP Period	**:**	As specified in the Schedule to the MTN Terms and Conditions
	(c) Issue Date VWAP	**:**	As specified in the Schedule to the MTN Terms and Conditions
33	**Redemption of Zero Coupon MTNs**	**:**	Not Applicable
34	**Withholding tax exemptions**	**:**	Conditions 15.3(a) and (b) are applicable
35	**Specified Currency**	**:**	Australian dollars
36	**Other relevant terms and conditions**	**:**	Not Applicable
37	**ISIN**	**:**	AU3FN0026928
38	**Common Code**	**:**	120891847
39	**Common Depositary**	**:**	Not Applicable
40	**U.S. selling restrictions**	**:**	Regulation S Compliance Category 2
41	**Other selling restrictions**	**:**	Not Applicable
42	**Listing**	**:**	Not Applicable
43	**Events of Default**	**:**	Not Applicable

44	**Additional or alternate newspapers**	**:**	Not Applicable
45	**I&P Agent (Offshore)**	**:**	Not Applicable
46	**Stabilisation Manager**	**:**	Not Applicable
47	**Other amendments**	**:**	Not Applicable

CONFIRMED

For and on behalf of
National Australia Bank Limited

By: ..... Date: .....

Authorised Officer

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ANNEX 1 - MTN Terms and Conditions

The following are the general terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will apply to each MTN issued under the Debt Issuance Programme of National Australia Bank Limited. Definitions and interpretation provisions are set out in Condition 26 ("Interpretation").

Part 1 Introduction

1 Introduction

1.1 Programme

The MTNs may be issued under a Debt Issuance Programme established on or about 11 November 2003, amended and restated as at 5 September 2014 and previously amended and restated as at 15 May 2007, 12 March 2009, 23 August 2011 and 5 March 2014 by National Australia Bank Limited ("**Issuer**").

1.2 Pricing Supplement

MTNs issued under the Programme are issued in Series. Each Series may comprise one or more Tranches having one or more issue dates and on terms otherwise identical (other than in respect of the Issue Price and the first payment of interest and the amounts of interest payable). Each Tranche is the subject of the Pricing Supplement which supplements, amends or replaces these Conditions. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement prevails.

Copies of the relevant Pricing Supplement are available for inspection or upon request by MTN Holders or prospective MTN Holders during normal business hours at the Specified Office of the Issuer or the Registrar.

1.3 Types of MTNs

An MTN may be:

(a) a Fixed Rate MTN;

(b) a Floating Rate MTN;

(c) a Zero Coupon MTN;

(d) a Structured MTN,

or any other type of MTN specified in the relevant Pricing Supplement.

Subject to Condition 6.1 ("Forms of Subordinated MTNs"), any of these MTNs may also be Unsubordinated MTNs or Subordinated MTNs, as specified in the relevant Pricing Supplement.

1.4 Clearing system

MTNs may be held in a Clearing System. If MTNs are held in a Clearing System, the rights of each MTN Holder and any other person holding an interest in those MTNs are subject to the rules and regulations of the Clearing System, provided that, in the case of Subordinated MTNs, such rules and regulations do not affect any provisions in these Conditions which affect the eligibility of the Subordinated MTNs as Tier 2 Capital of the Issuer. The Issuer is not responsible for anything the Clearing System does or omits to do.

Part 2 Form, Denomination and Title

2 Form

2.1 Form

The MTNs are issued in registered form. No certificates will be issued to MTN Holders unless the Issuer determines that certificates should be available or are required by any applicable law or regulation.

2.2 Constitution under MTN Deed Poll

The MTNs are registered debt obligations of the Issuer, constituted by, and owing under, the MTN Deed Poll and take the form of entries in the Register. Each entry in the Register constitutes a separate and individual acknowledgement to the relevant MTN Holder of the indebtedness of the Issuer to the relevant MTN Holder.

2.3 Independent obligations

The obligations of the Issuer in respect of each MTN constitute separate and independent obligations which the MTN Holder to whom those obligations are owed is entitled to enforce without having to join any other MTN Holder or any predecessor in title of an MTN Holder.

3 Denomination

MTNs must be issued in a single Specified Denomination. Unless the relevant Pricing Supplement states otherwise, MTNs of one Specified Denomination may not be exchanged for MTNs of another Specified Denomination.

4 Currency

The MTNs must be denominated in Australian dollars or an Alternate Currency specified in the relevant Pricing Supplement.

5 Status

5.1 Nature of obligations

The MTNs may be issued as unsubordinated or subordinated debt obligations, as specified in the relevant Pricing Supplement.

The MTNs do not constitute a deposit liability of the Issuer and will not be a protected account for the purposes of the depositor protection provisions

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in Division 2 of Part II of the Banking Act or of the Financial Claims Scheme established under Division 2AA of Part II of the Banking Act. In addition, MTNs are not guaranteed or insured by any government, government agency or compensation scheme of the Commonwealth of Australia or any other jurisdiction or by any other party.

5.2 Status and ranking: Unsubordinated MTNs

The Unsubordinated MTNs constitute direct, unconditional and unsecured obligations of the Issuer, ranking equally among themselves and at least equally with all other unsecured and unsubordinated obligations of the Issuer, except for liabilities mandatorily preferred by law.

The Unsubordinated MTNs rank senior to the Issuer's subordinated obligations, including all Subordinated MTNs.

5.3 Status and ranking: Subordinated MTNs

The Subordinated MTNs constitute direct and unsecured and subordinated obligations of the Issuer. Subordinated MTNs rank in a Winding Up of the Issuer:

(a) behind all claims of Senior Creditors;

(b) *pari passu* among themselves; and

(c) subject to Condition 13A ("Conversion or Write-Off of Subordinated MTNs on Non-Viability Trigger Event"), *pari passu* with Equal Ranking Instruments and ahead of Junior Ranking Instruments.

The Subordinated MTNs do not limit the amount of senior debt, deposits or other obligations that may be incurred or assumed by the Issuer at any time.

5.3A Conditions to payment

At any time prior to a Winding Up of the Issuer in Australia:

(a) payment by the Issuer of interest, principal or any other amount owing to a Subordinated MTN Holder in connection with a Subordinated MTN is conditional upon the Issuer being Solvent at the time the payment is due; and

(b) the Issuer must not pay an amount owing to a Subordinated MTN Holder in connection with a Subordinated MTN except to the extent that the Issuer may pay that amount and still be solvent immediately after paying that amount.

5.3B Certificate as to Solvency

A certificate as to whether the Issuer is Solvent signed by:

(a) two directors of the Issuer;

(b) the auditors of the Issuer; or

(c) on a Winding Up of the Issuer, the Issuer's liquidator,

is, in the absence of manifest error, conclusive evidence against a Subordinated MTN Holder of the matters certified. In the absence of such certificate, a Subordinated MTN Holder is entitled to assume (unless the contrary is proved) that the Issuer is and will, after any payment, be Solvent.

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6 Subordination

6.1 Forms of Subordinated MTNs

Subordinated MTNs may not be issued as Structured MTNs or Zero Coupon MTNs.

6.2 Acknowledgment

Each Subordinated MTN Holder by its purchase of a Subordinated MTN, is taken to acknowledge that the Issuer's obligations in respect of that Subordinated MTN are subordinated to the claims of all Senior Creditors, as stated in Condition 5.3 ("Status and ranking: Subordinated MTNs") and Condition 6.3 ("Subordination").

6.3 Subordination

(a) (**Winding Up**) In a Winding Up of the Issuer, a Subordinated MTN Holder's claim for an amount owing by the Issuer in connection with a Subordinated MTN is subordinated to the claims of Senior Creditors of the Issuer, in that:

(i) all claims of Senior Creditors must be paid in full before the Subordinated MTN Holder's claim is paid; and

(ii) until the Senior Creditors have been paid in full, the Subordinated MTN Holder must not claim in the Winding Up in competition with the Senior Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Creditors would have been entitled to receive.

(b) (**debt subordination**) Each Subordinated MTN Holder irrevocably acknowledges and agrees that this Condition 6.3 ("Subordination") is a debt subordination for the purposes of section 563C of the Corporations Act.

(c) (**voting**) Each Subordinated MTN Holder must not exercise its voting rights as an unsecured creditor in the Winding Up or administration of the Issuer to defeat the subordination in this Condition 6.3 ("Subordination").

(d) (**not otherwise affected**) Each Subordinated MTN Holder irrevocably acknowledges and agrees that the debt subordination effected by this Condition 6.3 ("Subordination") is not affected by any act or omission of the Issuer or a Senior Creditor which might otherwise affect it at law or in equity.

(e) (**clawback**) Each Subordinated MTN Holder irrevocably acknowledges and agrees that it must pay or deliver to the liquidator any amount or asset received on account of its claim in the Winding Up of the Issuer in connection with a Subordinated MTN in excess of its entitlement under Condition 6.3(a) ("Subordination") above.

(f) (**consent of Senior Creditors not required**) Nothing in this Condition 6.3 ("Subordination") shall be taken to require the consent of any Senior Creditor to any amendment of this Condition 6.3 ("Subordination").

(g) (**no set-off**) (i) A Subordinated MTN Holder does not have any right to set-off any amounts owing to it by the Issuer in connection with the Subordinated MTNs against any amount owing by it to the Issuer in connection with the Subordinated MTNs or otherwise; and (ii) the Issuer does not have any right to set-off any amounts owing to it by a

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Subordinated MTN Holder against any amount owing by it to the Subordinated MTN Holder in connection with the Subordinated MTNs.

7 Title and transfer of MTNs

7.1 Registered form

Each MTN takes the form of an entry in the Register.

7.2 Title

Title to MTNs passes when details of the transfer are entered in the Register. The Register will be closed for the purpose of determining entitlements to payments of interest and principal at 5.00pm local registry office time on the Record Date prior to any relevant payment date.

7.3 Effect of entries in Register

Each entry in the Register in respect of an MTN constitutes:

(a) an unconditional and irrevocable undertaking by the Issuer to the MTN Holder to make all payments of principal and interest in respect of the MTN in accordance with these Conditions; and

(b) an entitlement to the other benefits given to the MTN Holders under these Conditions in respect of the relevant MTN.

7.4 Register conclusive as to ownership

Entries in the Register in relation to an MTN constitute conclusive evidence that the person so entered is the absolute owner of the MTN subject to correction for fraud or error.

7.5 Non-recognition of interests

Except as required by law, the Issuer and each Agent must treat the person whose name is entered in the Register as the holder of an MTN as the absolute owner of that MTN. This Condition 7.5 ("Non-recognition of interests") applies whether or not an MTN is overdue and despite any notice of ownership, trust or interest in the MTN.

7.6 Joint holders

Where two or more persons are entered in the Register as the joint holders of an MTN then they are taken to hold the MTN as joint tenants with rights of survivorship, but the Register is not bound to register more than four persons as joint holders of an MTN.

7.7 Transfers in whole

MTNs may be transferred in whole but not in part.

7.8 Compliance with laws

MTN Holders may only transfer MTNs if:

(a) the offer or invitation giving rise to the transfer is neither:

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(i) an offer or invitation which requires disclosure to investors under Part 6D.2 of the Corporations Act; nor

(ii) an offer to a retail client for the purposes of Chapter 7 of the Corporations Act; and

(b) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

7.9 Transfer procedures

MTNs entered into a Clearing System will be transferable only in accordance with the regulations of that Clearing System and the Registry Services Agreement.

Application for the transfer of MTNs not entered into a Clearing System must be made by the lodgment of a transfer form with the Registrar at its Specified Office. Transfer forms must be in the form available from the Registrar. Each transfer form must be:

(a) duly completed;

(b) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and

(c) signed by both the transferor and the transferee.

7.10 CHESS

MTNs listed on the ASX are not:

(a) transferred through, or registered on, the Clearing House Electronic Subregister System operated by the ASX; or

(b) "Approved Financial Products" (as defined for the purposes of that system).

7.11 Austraclear as MTN Holder

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

(a) the Registrar's decision to act as the Registrar of that MTN is not a recommendation or endorsement by the Registrar or Austraclear in relation to that MTN, but only indicates that the Registrar considers that the holding of the MTNs is compatible with the performance by it of its obligations as Registrar under the Registry Services Agreement; and

(b) the MTN Holder does not rely on any fact, matter or circumstance contrary to Condition 7.11(a) ("Austraclear as MTN Holder").

7.12 Transfers of unidentified MTNs

If an MTN Holder transfers some but not all of the MTNs it holds and the transfer form does not identify the specific MTNs transferred, the Registrar may choose which MTNs registered in the name of MTN Holder have been transferred. However, the Outstanding Principal Amounts of the MTNs registered as transferred must equal the Outstanding Principal Amount of the MTNs expressed to be transferred in the transfer form.

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Part 3 Interest

8 Fixed Rate MTNs

8.1 Application

This Condition 8 ("Fixed Rate MTNs") applies to the MTNs only if the relevant Pricing Supplement states that it applies.

8.2 Interest on Fixed Rate MTNs

Each Fixed Rate MTN bears interest on its Outstanding Principal Amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear on each Interest Payment Date.

8.3 Fixed Coupon Amount

Unless otherwise specified in the Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of each Fixed Rate MTN for the preceding Interest Period is the Fixed Coupon Amount.

8.4 Calculation of interest payable on Fixed Rate MTNs

If the Pricing Supplement does not specify a Fixed Coupon Amount for any Interest Period, on the first day of the Interest Period the Calculation Agent must calculate the amount of interest payable on any Fixed Rate MTN for the Interest Period.

Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the Interest Rate for the Interest Period, the Outstanding Principal Amount of the Fixed Rate MTN and the applicable Day Count Fraction.

9 Floating Rate MTNs

9.1 Application

This Condition 9 ("Floating Rate MTNs") applies to the MTNs only if the relevant Pricing Supplement states that it applies.

9.2 Interest on Floating Rate MTNs

Each Floating Rate MTN bears interest on its Outstanding Principal Amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

(a) on each Interest Payment Date; or

(b) if no Interest Payment Date is specified in the relevant Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the relevant Pricing Supplement after the preceding Interest Payment Date, or in the case of the first Interest Payment Date, after the Interest Commencement Date.

9.3 Interest Rate determination

The Calculation Agent must determine the Interest Rate for any Floating Rate MTN for an Interest Period in accordance with these Conditions and the Pricing Supplement.

9.4 Fallback interest rate

Unless otherwise specified in the Pricing Supplement, if the Calculation Agent is unable to determine the Interest Rate for any Floating Rate MTN for an Interest Period, the Interest Rate for that Floating Rate MTN for that Interest Period is the same as the Interest Rate for that Floating Rate MTN for the Interest Period which immediately precedes it.

9.5 ISDA Determination

If "ISDA Determination" is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for any Floating Rate MTNs for each Interest Period is the sum of the Margin and the ISDA Rate.

9.6 Screen Rate Determination

If "Screen Rate Determination" is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for any Floating Rate MTNs for each Interest Period is the sum of the Margin and the Screen Rate.

9.7 Bank Bill Rate Determination

If "Bank Bill Rate Determination" is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for any Floating Rate MTNs for each Interest Period is the sum of the Margin and the Bank Bill Rate.

9.8 Interpolation

If the Pricing Supplement states that "Linear Interpolation" applies to an Interest Period, the Calculation Agent must determine the Interest Rate for that Interest Period using straight line interpolation by reference to two ISDA Rates, Screen Rates, Bank Bill Rates or other floating rates, in each case, as specified in the Pricing Supplement.

The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

10 Structured MTNs

10.1 Application

This Condition 10 ("Structured MTNs") applies to the MTNs only if the relevant Pricing Supplement states that it applies.

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10.2 Interest on Structured MTNs

Each Structured MTN bears interest on its Outstanding Principal Amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

(a) on each Interest Payment Date; or

(b) if no Interest Payment Date is specified in the relevant Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the relevant Pricing Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

10.3 Interest Rate determination

The Interest Rate payable in respect of a Structured MTN must be determined in the manner specified in the relevant Pricing Supplement.

11 General provisions applicable to interest

11.1 Maximum or Minimum Interest Rate

If the relevant Pricing Supplement specifies a Maximum Interest Rate or Minimum Interest Rate for any Interest Period then, the Interest Rate for that Interest Period must not be greater than the maximum, or be less than the minimum, so specified.

11.2 Calculation of Interest Rate and interest payable

The Calculation Agent must, as soon as practicable after determining the Interest Rate in relation to each Interest Period for each Floating Rate MTN and Index Linked MTN, calculate the amount of interest payable for the relevant Interest Period in respect of the Outstanding Principal Amount of each MTN. The amount of interest payable is calculated by multiplying the product of the Interest Rate for that Interest Period and the Outstanding Principal Amount of the MTN by the applicable Day Count Fraction.

11.3 Determination and calculation of other amounts

If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which that amount is to be determined, calculate the relevant amount. The relevant amount must be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.

11.4 Notification of Interest Rate, interest payable and other things

The Calculation Agent must notify the Issuer, the Registrar and the relevant MTN Holders and any stock exchange or other relevant authority on which the relevant Floating Rate MTNs or Index Linked MTNs are listed of:

(a) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the relevant Interest Payment Date; and

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(b) any amendment to any amount, item or date referred to in paragraph (a) arising from any extension or reduction in any relevant Interest Period or calculation period.

The Calculation Agent must give notice under this Condition as soon as practicable after it makes its determination. However, it must give notice of each Interest Rate, the amount of interest payable and each Interest Payment Date by the fourth day of the relevant Interest Period.

The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period without prior notice but must notify the Issuer, the Registrar and each stock exchange or other relevant authority on which the relevant Floating Rate MTNs or Index Linked MTNs are listed and the MTN Holders after doing so.

11.5 Determination and calculation final

Except where there is an obvious error, any determination or calculation which the Calculation Agent makes in accordance with these Conditions is final and binds the Issuer, the Registrar, each Agent and each MTN Holder.

11.6 Late payment of MTNs other than Zero Coupon MTNs

If the Redemption Amount payable in respect of an MTN (other than a Zero Coupon MTN) is not paid when due, interest continues to accrue on that MTN (both before and after any demand or judgment) at the Interest Rate then applicable to the Outstanding Principal Amount of the MTN or any other default rate specified in the relevant Pricing Supplement until the date on which the relevant payment is made to the relevant MTN Holder.

11.7 Late payment of Zero Coupon MTNs

If the Redemption Amount payable in respect of any Zero Coupon MTN is not paid when due, the Redemption Amount is an amount equal to the sum of:

(a) the Reference Price; and

(b) the amount resulting from the application of the Accrual Yield (compounded annually) to the Reference Price from (and including) the Issue Date to (but excluding) the date on which all sums due in respect of such MTN are received by or on behalf of the relevant MTN Holder.

11.8 Rounding

For the purposes of any calculations required under these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement):

(a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);

(b) all figures must be rounded to five significant figures (with halves being rounded up); and

(c) all amounts that are due and payable must be rounded to the nearest cent (with halves being rounded up).

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Part 4 Redemption, purchase and options

12 Redemption

12.1 Scheduled redemption

Each MTN is redeemable by the Issuer on the Maturity Date at its Redemption Amount unless:

(a) the MTN has been previously redeemed;

(b) the MTN has been purchased and cancelled;

(c) in relation to a Subordinated MTN only, the Subordinated MTN has been Converted or Written-Off as provided in Condition 13A ("Conversion or Write-Off of Subordinated MTNs on Non-Viability Trigger Event"); or

(d) the relevant Pricing Supplement states that the MTN has no fixed maturity date.

12.2 Early redemption for taxation reasons

The Issuer may redeem all (but not some) of the MTNs of a Series in whole before their Maturity Date for an amount in respect of each MTN equal to its Redemption Amount and (unless otherwise specified in the Pricing Supplement) any interest accrued on it to (but excluding) the redemption date (or such other amount as may be specified in the Pricing Supplement) if the Issuer is required under Condition 15.2 ("Withholding tax") to increase the amount of a payment in respect of an MTN.

However, the Issuer may only do so if:

(a) the Issuer has given at least 30 days' (and no more than 60 days') notice to the relevant Agents and the MTN Holders; and

(b) before the Issuer gives the notice under paragraph (a), the Registrar has received:

(i) a certificate signed by two authorised officers of the Issuer; and

(ii) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer,

that the Issuer would be required under Condition 15.2 ("Withholding tax") to increase the amount of the next payment due in respect of the MTNs of that Series;

(c) in the case of Fixed Rate MTNs, no notice of redemption is given earlier than 90 days before the earliest date on which the Issuer would be obliged to pay the additional amounts were a payment in respect of the MTNs then due;

(d) in the case of Floating Rate MTNs and Index Linked MTNs:

(i) the proposed redemption date is an Interest Payment Date; and

(ii) no notice of redemption is given earlier than 60 days before the Interest Payment Date occurring immediately before the earliest

date on which the Issuer would be obliged to pay the additional amounts of a payment in respect of the MTNs then due; and

(e) in the case of Subordinated MTNs:

(i) the Issuer is required under Condition 15.2 ("Withholding tax") to increase the amount of a payment in respect of a Subordinated MTN as a result of any change (including any announcement of any change that will be introduced) in or amendment to the laws or regulations of Australia or any political subdivision thereof or any authority therein 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 the Subordinated MTNs of that Series, which event the Issuer did not expect as at the Issue Date of that Subordinated MTN (including where Subordinated MTNs are issued as a Tranche consolidated with an existing Series, as at the date of issue of that Tranche);

(ii) the Issuer has obtained the prior written approval of APRA; and

(iii) either:

(A) the Subordinated MTNs the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital of the same or better quality and the replacement of the instrument is done under conditions that are sustainable for the Issuer's income capacity; or

(B) the Issuer obtains confirmation from APRA that APRA is satisfied that the Issuer's capital position will remain adequate after the Issuer elects to redeem the Subordinated MTNs.

Subordinated MTN Holders should not expect that APRA's approval will be given for any redemption of Subordinated MTNs.

12.3 Early redemption of Subordinated MTNs for other taxation reasons

(a) If the relevant Pricing Supplement states that the Issuer may redeem all (but not some) of the Subordinated MTNs of a Series before their Maturity Date under this Condition 12.3 ("Early redemption of Subordinated MTNs for other taxation reasons"), the Issuer may redeem all (but not some) of the Subordinated MTNs of a Series in whole before their Maturity Date for an amount in respect of each Subordinated MTN equal to its Redemption Amount and (unless otherwise specified in the Pricing Supplement) any interest accrued on it to (but excluding) the redemption date (or such other amount as may be specified in the Pricing Supplement) if:

(i) the Issuer determines, following receipt by it or a Related Entity of an opinion of reputable legal counsel or other tax adviser in Australia, experienced in such matters, or a ruling, confirmation or advice from the ATO to the effect that interest payable in respect of the Subordinated MTNs is not or may not be allowed as a deduction to the Issuer (or the head entity of any consolidated group of which the Issuer is a member) for Australian income tax purposes; or

(ii) the Issuer or the consolidated tax group of which it is a member would be exposed to more than a *de minimis* amount of other taxes, levies, imposts, charges and duties (including stamp and

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transaction duties) imposed by any authority together with any related interest, penalties and expenses in connection with them, assessments or other governmental charges in connection with any Subordinated MTN,

in each case, as a result of any change (including any announcement of any change that will be introduced) in or amendment to the laws or regulations of Australia or any political subdivision thereof or any authority therein 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 the Subordinated MTNs of that Series, which event the Issuer did not expect as at the Issue Date of that Subordinated MTN (including where Subordinated MTNs are issued as a Tranche consolidated with an existing Series, as at the date of issue of that Tranche).

(b) However, the Issuer may only do so if:

(i) the Issuer has given at least 30 days' (and no more than 60 days') notice (unless specified otherwise in the Pricing Supplement) to the relevant Agents and the Subordinated MTN Holders;

(ii) before the Issuer gives the notice under paragraph (a), the Registrar has received:

(A) a certificate signed by two authorised officers of the Issuer; and

(B) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer,

that an event described in this Condition 12.3 ("Early redemption of Subordinated MTNs for other taxation reasons") has occurred; and

(c) the Issuer has obtained the prior written approval of APRA; and

(d) either:

(i) the Subordinated MTNs the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital of the same or better quality and the replacement of the instrument is done under conditions that are sustainable for the Issuer's income capacity; or

(ii) the Issuer obtains confirmation from APRA that APRA is satisfied that the Issuer's capital position will remain adequate after the Issuer elects to redeem the Subordinated MTNs.

Subordinated MTN Holders should not expect that APRA's approval will be given for any redemption of Subordinated MTNs.

12.4 Early redemption of Subordinated MTNs for regulatory reasons

If the relevant Pricing Supplement states that the Issuer may redeem all or some of the Subordinated MTNs of a Series before their Maturity Date under this Condition, the Issuer may redeem all or some of the Subordinated MTNs of a Series before their Maturity Date for an amount in respect of each Subordinated MTN redeemed equal to its Redemption Amount and (unless otherwise specified in the Pricing Supplement) any interest accrued on it to (but excluding) the

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redemption date (or such other amount as may be specified in the Pricing Supplement) if a Regulatory Event occurs.

For the purpose of this Condition 12.4 ("Early redemption of Subordinated MTNs for regulatory reasons"), "**Regulatory Event**" means a determination by the Directors of the Issuer, having received:

(i) an opinion from a reputable legal counsel that, as a result of any amendment to, clarification of or change (including any announcement of any change that will be introduced) in any law or regulation of the Commonwealth of Australia or any political subdivision thereof or any authority thereof or therein, or any official administrative pronouncement or action or judicial decision interpreting such laws or regulations, which amendment, clarification or change is effective, or pronouncement, action or decision is approved, after the Issue Date;

(ii) or a written statement from APRA after the Issue Date,

that the Issuer is not or will not be entitled to treat all of the Subordinated MTNs as Tier 2 Capital, which event the Issuer did not expect as at the Issue Date of that Subordinated MTN (including where Subordinated MTNs are issued as a Tranche consolidated with an existing Series, as at the date of issue of that Tranche).

However, the Issuer may only do so if:

(a) the Issuer has given at least 30 days' (and no more than 60 days') notice unless specified otherwise in the Pricing Supplement) to the relevant Agents and the Subordinated MTN Holders;

(b) the Issuer has obtained the prior written approval of APRA; and

(c) either:

(i) the Subordinated MTNs the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital of the same or better quality and the replacement of the instrument is done under conditions that are sustainable for the Issuer's income capacity; or

(ii) the Issuer obtains confirmation from APRA that APRA is satisfied that the Issuer's capital position will remain adequate after the Issuer elects to redeem the Subordinated MTNs.

Subordinated MTN Holders should not expect that APRA's approval will be given for any redemption of Subordinated MTNs.

12.5 Early redemption at the option of MTN Holders (investor put)

If the relevant Pricing Supplement states that an MTN Holder may require the Issuer to redeem all or some of the MTNs of a Series held by that MTN Holder before their Maturity Date under this Condition, the Issuer must redeem the MTNs specified by that MTN Holder for an amount in respect of each MTN specified equal to its Redemption Amount and (unless otherwise specified in the Pricing Supplement) any interest accrued on it to (but excluding) the redemption date (or such other amount as may be specified in the Pricing Supplement) if the following conditions are satisfied:

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(a) the amount of MTNs to be redeemed is, or is a multiple of, their Specified Denomination;

(b) the MTN Holder has given at least 15 days' (and no more than 30 days') (or any other period which may be specified in the relevant Pricing Supplement) notice, to the Issuer and the Registrar by delivering to the Specified Office of the Registrar during normal business hours a completed and signed redemption notice in the form obtainable from the Specified Office of the Registrar together with any evidence the Registrar may require to establish title of the MTN Holder to the relevant MTN.

A notice or document deposited under this Condition 12.5 ("Early redemption at the option of MTN Holders (investor put)") may not be withdrawn without the Issuer's consent;

(c) the notice referred to in paragraph (b) specifies a bank account to which the payment should be made or an address to where a cheque for payment should be sent;

(d) the proposed redemption date is an Early Redemption Date (Put); and

(e) any other condition specified in the relevant Pricing Supplement is satisfied.

An MTN Holder may not require the Issuer to redeem any MTN under this Condition 12.5 ("Early redemption at the option of MTN Holders (investor put)") if the Issuer has given notice that it will redeem that MTN under Condition 12.2 ("Early redemption for taxation reasons") or Condition 12.6 ("Early redemption at the option of the Issuer (Issuer call)").

An investor put option under this Condition may not be specified in the Pricing Supplement in respect of a Subordinated MTN.

12.6 Early redemption at the option of the Issuer (Issuer call)

If the relevant Pricing Supplement states that the Issuer may redeem all or some of the MTNs of a Series before their Maturity Date under this Condition, the Issuer may redeem so many of those MTNs specified in the Pricing Supplement for an amount in respect of each MTN redeemed equal to its Redemption Amount and (unless otherwise specified in the Pricing Supplement) any interest accrued on it to (but excluding) the redemption date (or such other amount as may be specified in the Pricing Supplement).

However, the Issuer may only do so if:

(a) the amount of MTNs to be redeemed is, or is a multiple of, their Specified Denomination;

(b) the Issuer has given at least 30 days' (and no more than 60 days') (or any other period specified in the relevant Pricing Supplement) notice to the relevant Agents and the MTN Holders;

(c) the proposed redemption date is an Early Redemption Date (Call) (which, in the case of a Subordinated MTN, may not be before the fifth anniversary of the Issue Date of that Subordinated MTN); and

(d) in the case of Subordinated MTNs:

(i) the Issuer has obtained the prior written approval of APRA; and

(ii) either:

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(A) the Subordinated MTNs the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital of the same or better quality and the replacement of the instrument is done under conditions that are sustainable for the Issuer's income capacity; or

(B) the Issuer obtains confirmation from APRA that APRA is satisfied that the Issuer's capital position will remain adequate after the Issuer elects to redeem the Subordinated MTNs.

Subordinated MTN Holders should not expect that APRA's approval will be given for any redemption of Subordinated MTNs.

12.7 Instalments

The Issuer agrees to redeem each Instalment MTN in instalments by paying to the MTN Holder on each Instalment Date the Instalment Amount due on that Instalment Date.

The principal amount of each Instalment MTN reduces from the date, and by the amount, of each payment the Issuer makes under this Condition 12.7 ("Instalments").

12.8 Effect of notice of redemption

Any notice of redemption given under this Condition 12 ("Redemption") is irrevocable.

12.9 Purchases

The Issuer, any subsidiary or any other Related Entity of the Issuer may at any time purchase MTNs in the open market or otherwise and at any price, subject, in the case of Subordinated MTNs, to the prior written approval of APRA. All unmatured MTNs purchased under this Condition 12.9 ("Purchases") are not extinguished (unless held beneficially by the Issuer at the Maturity Date) and, to the extent held beneficially by the Issuer prior to that Maturity Date, may be held, resold or cancelled at the discretion of the Issuer, subject to compliance with all legal and regulatory requirements.

Subordinated MTN Holders should not expect that APRA's approval will be given for any purchase of Subordinated MTNs.

13A Conversion or Write-Off of Subordinated MTNs on Non-Viability Trigger Event

This Condition 13A ("Conversion or Write-Off of Subordinated MTNs on Non-Viability Trigger Event") applies only to Subordinated MTNs issued by the Issuer. The Schedule to these Conditions (including the defined terms therein) shall be deemed to form part of, and be incorporated in, this Condition 13A ("Conversion or Write-Off of Subordinated MTNs on Non-Viability Trigger Event").

13A.1 Non-Viability Trigger Event

A "**Non-Viability Trigger Event**" occurs when APRA has provided a written determination ("**Non-Viability Determination**") to the Issuer that the conversion or write-off of Relevant Capital Instruments of the Issuer is necessary because:

(a) without the conversion or write-off, APRA considers that the Issuer would become non-viable; or

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(b) without a public sector injection of capital into, or equivalent capital support with respect to, the Issuer, APRA considers that the Issuer would become non-viable.

13A.2 Relevant Tier 1 Capital Instruments to be converted or written-off first where permitted

(a) On the date on which a Non-Viability Trigger Event occurs ("**Conversion Date**"), the Issuer must immediately convert or write-off:

(i) all Relevant Capital Instruments then outstanding (including the Subordinated MTNs in accordance with this Condition 13A.2 ("Relevant Tier 1 Capital Instruments to be converted or written-off first where permitted")); or

(ii) an amount of Relevant Capital Instruments having an aggregate principal amount determined by the Issuer to be at least sufficient to satisfy APRA that the Issuer would not become non-viable (that amount being the "Non-Viability Amount"), in accordance with the Non-Viability Determination.

(b) Where some (but not all) Relevant Capital Instruments then outstanding are being converted or written off, the Issuer must immediately Convert or Write-Off an aggregate principal amount of Subordinated MTNs in accordance with Condition 13A.4 ("Conversion of Subordinated MTNs") or Condition 13A.11 ("Write-Off of Subordinated MTNs") (whichever is applicable) and the aggregate principal amount of other Relevant Tier 2 Capital Instruments which will be converted or be written-off, such amount to be determined on the following basis:

(i) first, the Issuer must convert into Ordinary Shares or write-off all Relevant Tier 1 Capital Instruments; and

(ii) second, to the extent the Non-Viability Amount exceeds the aggregate principal amount of Relevant Tier 1 Capital Instruments (and unless APRA has withdrawn the Non-Viability Determination), the Issuer must convert into Ordinary Shares or write-off Relevant Tier 2 Capital Instruments (including Subordinated MTNs in accordance with either Condition 13A.4 ("Conversion of Subordinated MTNs") or Condition 13A.11 ("Write-Off of Subordinated MTNs") (whichever is applicable)), in an aggregate principal amount equal to the amount of that excess and, in doing so:

(A) the Issuer will endeavour to treat Subordinated MTN Holders on an approximately proportionate basis but may discriminate to take account of logistical considerations and the need to effect the Conversion or Write-Off of Subordinated MTNs and conversion or write-off of other Relevant Tier 2 Capital Instruments immediately; and

(B) where the specified currency of Relevant Tier 2 Capital Instruments is not the same for all Relevant Tier 2 Capital Instruments, may treat them as if converted into a single currency of the Issuer's choice at such rate of exchange as the Issuer considers reasonable but may make adjustments among Subordinated MTN Holders and holders of other Relevant Tier 2 Capital Instruments

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having regard to the need to effect Conversion immediately.

APRA has stated that it will not approve partial conversion or partial write-off in those exceptional circumstances where a public sector injection of funds is deemed necessary.

13A.3 General provisions relating to Conversion and Write-Off

(a) A Non-Viability Determination takes effect, and the Issuer must perform the obligations in respect of the determination, immediately on the day it is received by the Issuer, whether or not such day is a Business Day (as defined in the Schedule to these Conditions).

(b) To the extent that a Subordinated MTN has been Converted or Written-Off in part then:

(i) the Issuer shall notify the Registrar of the principal amount of such Subordinated MTN that has been Converted or Written-Off and instruct the Registrar to reflect this Conversion or Write-Off (as applicable) in the Register so that the principal amount of such Subordinated MTN is reduced to an amount equal to the non-Converted or non-Written-Off (as applicable) portion of the principal amount of such Subordinated MTN;

(ii) the Redemption Amount, the Specified Denomination, Outstanding Principal Amount and any related amount shall be reduced in the same proportion as the principal amount Converted or Written-Off in respect of that Subordinated MTN bears to the principal amount of that Subordinated MTN before such Conversion or Write-Off;

(iii) for the purposes of any interest calculation, the interest amount of such Subordinated MTN and, in the case of a Fixed Rate MTN, the Fixed Coupon Amount and any related amount shall be reduced in the same proportion as the principal amount Converted or Written-Off in respect of that Subordinated MTN bears to the principal amount of that Subordinated MTN before such Conversion or Write-Off; and

(iv) where the Conversion Date is not an Interest Payment Date, then the amount of interest payable in respect of that Subordinated MTN on each Interest Payment Date falling after that Conversion Date will be reduced and calculated on the principal amount of that Subordinated MTN as reduced on the date of the Conversion or Write-Off.

(c) In Converting or Writing-Off Subordinated MTNs, the Issuer may make any decisions with respect to the identity of Subordinated MTN Holders at that time as may be necessary or desirable to ensure Conversion or Write-Off occurs in an orderly manner, including disregarding any transfers of Subordinated MTNs that have not been settled or registered at that time.

13A.4 Conversion of Subordinated MTNs

Subject to Condition 13A.11 ("Write-off of Subordinated MTNs") where the Write-Off option is specified in the applicable Pricing Supplement as applying to the Subordinated MTNs, but notwithstanding any other provision in these Conditions, on the Conversion Date, in respect of a Subordinated MTN, the relevant principal

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amount (as determined under Condition 13A.2 ("Relevant Tier 1 Capital Instruments to be converted or written-off first where permitted")) of that Subordinated MTN will convert immediately and irrevocably into Ordinary Shares (in a number determined under clause 1.1(a) ("Conversion") of the Schedule to these Conditions) and where only a portion of a Subordinated MTN is converted, the principal amount of that Subordinated MTN shall be reduced by the amount converted accordingly. The conversion will occur in accordance with the terms set out in the Schedule to these Conditions (the "**Conversion**" and "**Convert**" and "**Converted**" when used herein have corresponding meanings).

13A.5 Subordinated MTN Holder acknowledgements relating to Conversion and Write-Off

Each Subordinated MTN Holder irrevocably:

(a) consents to becoming a member of the Issuer upon the Conversion of Subordinated MTNs as required by Condition 13A.4 ("Conversion of Subordinated MTNs") and agrees to be bound by the constitution of the Issuer, in each case in respect of the Ordinary Shares issued on Conversion;

(b) acknowledges and agrees that it is obliged to accept Ordinary Shares upon a Conversion notwithstanding anything that might otherwise affect a Conversion of the Subordinated MTNs including:

(i) any change in the financial position of the Issuer since the issue of the Subordinated MTNs;

(ii) any disruption to the market or potential market for the Ordinary Shares or to capital markets generally; or

(iii) any breach by the Issuer of any obligation in connection with the Subordinated MTNs;

(c) acknowledges and agrees that where Condition 13A.2 ("Relevant Tier 1 Capital Instruments to be converted or written-off first where permitted") applies:

(i) there are no other conditions to a Non-Viability Trigger Event occurring as and when provided in Condition 13A.1 ("Non-Viability Trigger Event");

(ii) Conversion must occur immediately on the Non-Viability Trigger Event and that may result in disruption or failures in trading or dealings in the Subordinated MTNs;

(iii) it will not have any rights to vote in respect of any Conversion; and

(iv) the Ordinary Shares issued on Conversion may not be quoted at the time of issue, or at all;

(d) acknowledges and agrees that where Condition 13A.6 ("Write-Off of Subordinated MTNs due to Inability Event") or Condition 13A.11 ("Write-Off of Subordinated MTNs") applies, no other conditions or events will affect the operation of that Condition and the Subordinated MTN Holder will not have any rights to vote in respect of any Write-Off under that Condition and has no claim against the Issuer arising in connection with the application of that Condition;

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(e) acknowledges and agrees that a Subordinated MTN Holder has no right to request a Conversion of any principal amount of any Subordinated MTNs or to determine whether (or in what circumstances) the Subordinated MTNs are Converted; and

(f) acknowledges and agrees that none of the following shall prevent, impede or delay the Conversion or (where relevant) Write-Off of the principal amount of Subordinated MTNs:

(i) any failure to or delay in the conversion or write-off of other Relevant Capital Instruments;

(ii) any failure or delay in giving a Non-Viability Trigger Event Notice;

(iii) in the case of Conversion only, any failure or delay in quotation of the Ordinary Shares to be issued on Conversion;

(iv) any obligation to treat Subordinated MTN Holders proportionately or to make the determinations or adjustments in accordance with Condition 13A.2 ("Relevant Tier 1 Capital Instruments to be converted or written-off first where permitted") or Condition 13A.3 ("General provisions relating to Conversion and Write-Off"); and

(v) any decision as to the identity of Subordinated MTN Holders whose Subordinated MTNs are to be Converted or Written-Off in accordance with Condition 13A.2 ("Relevant Tier 1 Capital Instruments to be converted or written-off first where permitted").

13A.6 Write-Off of Subordinated MTNs due to Inability Event

If a principal amount of Subordinated MTNs held by a Subordinated MTN Holder is required to Convert under Condition 13A.4 ("Conversion of Subordinated MTNs") and, on the Conversion Date, the Issuer is prevented by applicable law or order of any court or action of any government authority (including regarding the insolvency, winding up or other external administration of the Issuer) or any other reason from Converting that principal amount of Subordinated MTNs (an "**Inability Event**") and Conversion has not been effected within five Business Days (as defined in the Schedule to these Conditions) after the Conversion Date, to the extent the Inability Event prevents the Issuer from Converting the principal amount of Subordinated MTNs of the Subordinated MTN Holder which, but for this Condition 13A.6 ("Write-Off of Subordinated MTNs due to Inability Event"), would be Converted, then, notwithstanding any other provisions of these Conditions or the applicable Pricing Supplement, Conversion on account of the Non-Viability Trigger Event will not occur and the Subordinated MTNs will be Written-Off.

13A.7 Non-Viability Trigger Event Notice

As soon as practicable after the occurrence of a Non-Viability Trigger Event and no later than five Business Days (as defined in the Schedule to these Conditions) after the occurrence of the Non-Viability Trigger Event, the Issuer must give notice of the Non-Viability Trigger Event (a "**Non-Viability Trigger Event Notice**") to the Subordinated MTN Holders which states the Conversion Date, the aggregate principal amount of Subordinated MTNs Converted or Written-Off and the aggregate principal amount of Relevant Tier 2 Capital Instruments converted or written-off.

13A.8 Provision of information

Where a principal amount of Subordinated MTNs held by a Subordinated MTN Holder is required to be Converted under Condition 13A.4 ("Conversion of

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Subordinated MTNs"), a Subordinated MTN Holder wishing to receive Ordinary Shares in respect of such principal amount must, no later than the Conversion Date, have provided to the Issuer:

(i) its name and address (or the name and address of any person in whose name it directs the Ordinary Shares to be issued) for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares;

(ii) the Subordinated MTN Holder's security account details in CHESS (being the Clearing House Electronic Subregister System operated by ASX or its affiliates) or such other account to which the Ordinary Shares may be credited; and

(iii) such other information as is reasonably requested by the Issuer for the purposes of enabling it to issue the Conversion Number of Ordinary Shares to the Subordinated MTN Holder,

and the Issuer has no duty to seek or obtain such information.

If for any reason (whether or not due to the fault of a Subordinated MTN Holder) the Issuer has not received any information required to be provided by the Subordinated MTN Holder under this Condition 13A.8 ("Provision of information") by the time such information is required in order for Ordinary Shares to be issued on the Conversion Date, the Issuer will issue the Ordinary Shares in respect of that Subordinated MTN Holder to a nominee in accordance with Condition 13A.9 ("Failure to convert") and the provisions of Condition 13A.10 ("Issue to nominee") shall apply, *mutatis mutandis*, to such Ordinary Shares.

13A.9 Failure to convert

Subject to Condition 13A.6 ("Write-Off of Subordinated MTNs due to Inability Event") and Condition 13A.10 ("Issue to nominee"), if, in respect of a Conversion of a Subordinated MTN, the Issuer fails to issue the Conversion Number of Ordinary Shares in respect of the principal amount of that Subordinated MTN to, or in accordance with the instructions of, the relevant Subordinated MTN Holder or a nominee where Condition 13A.10 ("Issue to nominee") applies, the principal amount of that Subordinated MTN which would otherwise be subject to Conversion remains, for the purposes of these Conditions, on issue until:

(i) the Ordinary Shares are issued to, or in accordance with the instructions of, the Subordinated MTN Holder; or

(ii) the Subordinated MTN is Written-Off in accordance with these Conditions;

provided, however, that the sole right of the Subordinated MTN Holder in respect of such principal amount of such Subordinated MTN is its right to be issued the Ordinary Shares upon Conversion (subject to its compliance with Condition 13A.8 ("Provision of information")) or to receive proceeds from their sale pursuant to Condition 13A.10 ("Issue to nominee"), as applicable and the remedy of a Subordinated MTN Holder in respect of the Issuer's failure to issue the Ordinary Shares is limited (subject always to Condition 13A.6 ("Write-Off of Subordinated MTNs due to Inability Event")) to seeking an order for specific performance of the Issuer's obligation to issue the Ordinary Shares to the Subordinated MTN Holder or where Condition 13A.10 ("Issue to nominee") applies to the nominee and to receive such proceeds of sale, in each case, in accordance with the conditions of the Subordinated MTNs.

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This Condition 13A.9 ("Failure to convert") does not affect the obligation of the Issuer to issue the Ordinary Shares when required in accordance with these Conditions.

13A.10 Issue to nominee

If any Subordinated MTNs are required to be Converted under Condition 13A.4 ("Conversion of Subordinated MTNs") and:

(a) the Subordinated MTN Holder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of the Conversion (whether entirely or to the extent specified in the notice), which notice may be given at any time prior to the Conversion Date;

(b) the Subordinated MTNs are held by a person whose address in the register is a place outside Australia or who the Issuer believes in good faith may not be a resident of Australia (a "**Foreign Holder**"); or

(c) if for any reason (whether or not due to the fault of a Subordinated MTN Holder) the Issuer has not received any information required by it in accordance with Condition 13A.8 ("Provision of information") so as to impede the Issuer issuing the Ordinary Shares to a Subordinated MTN Holder on the Conversion Date;

then, on the Conversion Date,

(d) where subparagraph (a) or (b) applies, the Issuer is obliged to issue the Ordinary Shares to the Subordinated MTN Holder only to the extent (if at all) that:

(i) where subparagraph (a) applies, the Subordinated MTN Holder has notified the Issuer that it wishes to receive them;

(ii) where subparagraph (b) applies, the Issuer is satisfied that the laws of both Australia and the Foreign Holder's country of residence permit the issue of the Ordinary Shares to the Foreign Holder (but as to which the Issuer is not bound to enquire), either unconditionally or after compliance with conditions which the Issuer, in its absolute discretion, regards as acceptable and not unduly onerous;

and to the extent the Issuer is not obliged to issue Ordinary Shares to the Subordinated MTN Holder, the Issuer will issue the balance of the Ordinary Shares to the nominee in accordance with subparagraph (e) of this Condition 13A.10 ("Issue to nominee");

(e) otherwise, subject to applicable law, the Issuer will issue the balance of Ordinary Shares in respect of that Subordinated MTN Holder to a nominee appointed by the Issuer (which nominee may not be the Issuer or a Related Entity of the Issuer) and, subject to applicable law:

(i) where sub-paragraph (c) applies, the nominee will hold Ordinary Shares in an aggregate amount equal to the aggregate number to be issued in respect of those Subordinated MTN Holders and will transfer Ordinary Shares to a Subordinated MTN Holder who, within 30 days of the Conversion Date, provides the nominee with the information required to be provided by the Subordinated MTN Holder under Condition 13A.8 ("Provision of information") (as if a reference in sub-paragraph (iii) of Condition 13A.8 ("Provision of information") to the Issuer is a reference to the nominee and a

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reference to the issue of Ordinary Shares is a reference to the transfer of Ordinary Shares); and

(ii) the nominee will as soon as reasonably possible (or, where paragraph (c) applies, to the extent that the nominee has not already transferred Ordinary Shares to the relevant Subordinated MTN Holder under Condition 13A.10(e)(i) ("Issue to nominee") above at the end of the period of 30 days referred to in Condition 13A.10(e)(i) ("Issue to nominee") above, as soon as reasonably possible after the expiration of that period), sell the Ordinary Shares it receives and pay a cash amount equal to the net proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, to the Subordinated MTN Holder.

The issue of Ordinary Shares to such nominee will satisfy all obligations of the Issuer in connection with the Conversion, the Subordinated MTNs will be deemed Converted and on and from the issue of Ordinary Shares the rights of a Subordinated MTN Holder the subject of this Condition 13A.10 ("Issue to nominee") are limited to its rights in respect of the Ordinary Shares or their net cash proceeds as provided in this Condition;

(f) nothing in this Condition 13A.10 ("Issue to nominee") shall affect the Conversion of the Subordinated MTNs of a Subordinated MTN Holder which is not a person to which any of subparagraphs (a) to (c) (inclusive) applies; and

(g) for the purposes of this Condition 13A.10 ("Issue to nominee"), without prejudice to the obligations of the Issuer and the nominee under this Condition 13A.10 ("Issue to nominee"), none of the Issuer or the nominee owes any obligations or duties to the Subordinated MTN Holders in relation to the price at which Ordinary Shares are sold or has any liability for any loss suffered by a Subordinated MTN Holder as a result of the sale of Ordinary Shares.

13A.11 Write-Off of Subordinated MTNs

If the Write-Off option is specified to be applicable in the applicable Pricing Supplement, then this Condition 13A.11 ("Write-Off of Subordinated MTNs") shall apply to the Subordinated MTNs and, for the avoidance of doubt, Condition 13A.4 ("Conversion of Subordinated MTNs") and Conditions 13A.5(a), (b), (c)(ii), (c)(iii), (c)(iv), (e) and (f)(iii) ("Subordinated MTN Holder acknowledgements relating to Conversion and Write-Off"), 13A.6 ("Write-Off of Subordinated MTNs due to Inability Event"), 13A.8 ("Provision of information"), 13A.9 ("Failure to convert") and 13A.10 ("Issue to nominee") shall not apply to the Subordinated MTNs.

On the Conversion Date the rights of Subordinated MTN Holders (including to payment of any principal or interest) in relation to the relevant principal amount (as determined under Condition 13A.2 ("Relevant Tier 1 Capital Instruments to be converted or written-off first where permitted")) of the Subordinated MTNs are Written-Off and, where only a portion of a Subordinated MTN is Written-Off, the principal amount of that Subordinated MTN shall be reduced by the amount Written-Off accordingly.

13A.12 Ordinary Shares issued upon Conversion

Each Ordinary Share issued to a relevant Subordinated MTN Holder upon Conversion will rank equally with all other fully paid Ordinary Shares from the date of such issue.

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13A.13 Substitution of Approved NOHC as issuer of Ordinary Shares

Where:

(a) either of the following occurs:

(i) a takeover bid is made to acquire all or some of the Ordinary Shares and such offer is, or becomes, unconditional, all regulatory approvals necessary for the acquisition to occur have been obtained and either:

(A) the bidder has at any time during the offer period, a relevant interest in more than 50 per cent. of the Ordinary Shares on issue; or

(B) the directors of the Issuer, acting as a board, issue a statement that at least a majority of its directors who are eligible to do so have recommended acceptance of such offer (in the absence of a higher offer); or

(ii) a court orders the holding of meeting(s) to approve a scheme of arrangement under Part 5.1 of the Corporations Act, which scheme would result in a person having a relevant interest in more than 50 per cent. of the Ordinary Shares that will be on issue after the scheme is implemented and:

(A) all classes of members of the Issuer pass all resolutions required to approve the scheme by the majorities required under the Corporations Act to approve the scheme; and

(B) all conditions to the implementation of the scheme, including any necessary regulatory approval (but not including approval of the scheme by the court) have been satisfied or waived; and

(b) the bidder or the person having a relevant interest in the Ordinary Shares in the Issuer after the scheme is implemented (or any entity that Controls the bidder or the person having the relevant interest) is an Approved NOHC,

then the Issuer may without the further authority, assent or approval of Subordinated MTN Holders (but with the prior written approval of APRA):

(c) amend the Schedule such that, unless APRA otherwise agrees, on the date the principal amount of a Subordinated MTN is to be Converted:

(i) each Subordinated MTN that is being Converted in whole will be automatically transferred by each Subordinated MTN Holder free from encumbrance to the Approved NOHC (or another member of the company which is a holding company (as defined in the Corporations Act) of the Issuer) (the "**Transferee**") on the date the Conversion is to occur;

(ii) in respect of each Subordinated MTN that is being Converted only in part, on the date the Conversion is to occur:

(A) the principal amount of the Subordinated MTN that is being Converted shall be reduced to an amount equal to the non-Converted portion of the principal amount of such Subordinated MTN; and

(B) the Approved NOHC will be taken to hold a new Subordinated MTN with a principal amount equal to the Converted portion of the principal amount of the Subordinated MTN being Converted;

provided that any failure or delay by a Subordinated MTN Holder or any other party in complying with the provisions of Condition 13A.13(c) ("Substitution of Approved NOHC as issuer of Ordinary Shares"), shall not prevent, impede or delay the Conversion or Write-Off of Subordinated MTNs.

(iii) each Subordinated MTN Holder (or in the circumstances contemplated in Condition 13A.10 ("Issue to nominee"), the nominee) of a Subordinated MTN or portion thereof being Converted will be issued a number of ordinary shares in the capital of the Approved NOHC determined as if references in the Schedule to the Issuer were references to the Approved NOHC and the Ordinary Shares were to ordinary shares in the capital of the Approved NOHC ("**Approved NOHC Ordinary Shares**"); and

(iv) as between the Issuer and the Approved NOHC, each Subordinated MTN held or taken to be held by the Approved NOHC as a result of the transfer will be automatically Converted into a number of Ordinary Shares such that the total number of Ordinary Shares held by the Transferee by reason of this Condition 13A.13(c)(iv) ("Substitution of Approved NOHC as issuer of Ordinary Shares") increases by the number of Ordinary Shares in the capital of the Approved NOHC issued by the Approved NOHC to Subordinated MTN Holders on Conversion ; and

(d) make such other amendments as in the Issuer's reasonable opinion are necessary and appropriate to effect the substitution of an Approved NOHC as the issuer of the ordinary shares on Conversion in the manner contemplated by these Conditions, including, where the terms upon which the Approved NOHC acquires the Issuer are such that the number of ordinary shares in the capital of the Approved NOHC on issue immediately after the substitution differs from the number of Ordinary Shares on issue immediately before the substitution (not involving any cash payment or other distribution to or by the holders of any such shares), an adjustment to any relevant VWAP or Issue Date VWAP consistent with the principles of adjustment set out in the Schedule.

13A.14 Further substitutions

After a substitution under Condition 13A.13 ("Substitution of Approved NOHC as issuer of Ordinary Shares"), the Approved NOHC may, without the authority, approval or assent of the Subordinated MTN Holders, effect a further substitution in accordance with Condition 13A.13 ("Substitution of Approved NOHC as issuer of Ordinary Shares") (with necessary changes).

13A.15 Notice to Subordinated MTN Holders

The Issuer or the Approved NOHC must notify the Subordinated MTN Holders of the particulars of any substitution according to Condition 13A.13 ("Substitution of Approved NOHC as issuer of Ordinary Shares") or Condition 13A.14 ("Further substitutions") in writing as soon as practicable after the substitution.

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13A.16 Acknowledgement of Subordinated MTN Holders

Each Subordinated MTN Holder irrevocably acknowledges and agrees that an Approved NOHC may in accordance with these Conditions be substituted for the Issuer as issuer of the Ordinary Shares on Conversion and that if such a substitution is effected, the Subordinated MTN Holder is obliged to accept ordinary shares in that Approved NOHC on a Conversion, and will not receive Ordinary Shares in the Issuer.

Part 5 Payments

13 General provisions

13.1 Summary of payment provisions

Payments in respect of MTNs will be made in accordance with Condition 14 ("Payments").

13.2 Payments subject to fiscal laws

All payments of principal, interest and other amounts are subject to all applicable fiscal laws or other Directives, but without prejudice to the provisions of Condition 15 ("Taxation").

13.3 Payments on business days

If a payment:

(a) is due on an MTN on a day which is not a Business Day then the due date for payment will be the next Business Day unless that day falls on the following month or after the Maturity Date, in which case on the previous Business Day; or

(b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place,

and in either case, the MTN Holder is not entitled to any additional payment in respect of that delay. Nothing in this Condition 13.3 ("Payments on business days") applies to any payment referred to in Clause 1.1 (d) ("Conversion") of the Schedule.

14 Payments

14.1 Payment of principal

The Issuer agrees to pay the Redemption Amount (together with any accrued interest and other amounts due in respect of the MTN on the relevant redemption date) for an MTN or, in the case of an Instalment MTN, the final Instalment Amount for that MTN, and all other amounts due in respect of the MTN, in the currency in which it is due to the person who is the MTN Holder at 10.00 am in the place where the Register is maintained on the due date.

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14.2 Payment of interest

The Issuer agrees to pay interest on any interest bearing MTN and, in the case of an Instalment MTN, in the currency in which it is due each Instalment Amount for that MTN (other than the final Instalment Amount), to the person who is the MTN Holder at 4.00 pm in the place where the Register is maintained on the Record Date.

14.3 Payments to accounts

Except as otherwise provided in the relevant Pricing Supplement, the Issuer agrees to make payments in respect of a MTN:

(a) if the MTN is held in a Clearing System, by crediting on the relevant payment date, the amount due to the account previously notified by the Clearing System to the Issuer and the Registrar in accordance with the Clearing System's rules and regulations in the country of the currency in which the payment is due; and

(b) if the MTN is not held in a Clearing System, subject to Condition 14.4 ("Payments by cheque") by crediting on the relevant payment date, the amount due to an account previously notified by the MTN Holder to the Issuer and the Registrar in the country of the currency in which the payment is due.

14.4 Payments by cheque

If an MTN Holder has not notified the Registrar of an account to which payments to it must be made by close of business in the place where the Register is maintained on the Record Date, the Issuer may make payments in respect of the MTNs held by that MTN Holder by cheque.

If the Issuer makes a payment in respect of an MTN by cheque, the Issuer agrees to send the cheque by prepaid ordinary post on the Business Day immediately before the due date, to the MTN Holder (or if two or more persons are entered in the Register as joint MTN Holders of the MTN, to the first named joint MTN Holder) at its address appearing in the Register at close of business in the place where the Register is maintained on the Record Date.

Cheques sent to an MTN Holder are sent at the MTN Holder's risk and are taken to be received by the MTN Holder on the due date for payment. If the Issuer makes a payment in respect of an MTN by cheque, the Issuer is not required to pay any additional amount as a result of the MTN Holder not receiving payment on the due date in immediately available funds.

14.5 No US payments

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

15 Taxation

15.1 No set-off, counterclaim or deductions

All payments in respect of the MTNs must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless prohibited by law.

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15.2 Withholding tax

Subject to Condition 15.3 ("Withholding tax exemptions"), if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the MTNs such that the MTN Holder would not actually receive on the due date the full amount provided for under the MTNs, then:

(a) the Issuer agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and

(b) if the amount deducted or withheld is in respect of Taxes imposed by a Relevant Tax Jurisdiction, the Issuer must pay an additional amount so that, after making the deduction and further deductions applicable to additional amounts payable under this Condition 15.2 ("Withholding tax"), each MTN Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

15.3 Withholding tax exemptions

The Issuer is not required to pay an additional amount under Condition 15.2 ("Withholding tax") if the obligation to do so arises as a result of any one or more of the following:

(a) the deduction is required in respect of Taxes by reason of the MTN Holder or beneficial holder having some connection with a Relevant Tax Jurisdiction other than the mere holding of the MTN or receipt of payment in respect of the MTN. However, an MTN Holder is not regarded as having a connection with Australia on account of the MTN Holder being a resident of Australia within the meaning of the Australian Tax Act where, and to the extent, those taxes are payable by reason of section 128B(2A) of the Australian Tax Act;

(b) the deduction is required as a result of Taxes which would not be required to be deducted if the MTN Holder (or a person acting on its behalf):

(i) provided the Issuer, its agent or any tax authority with the MTN Holder's name, address, registration number, Australian tax file number, Australian business number or similar details or any relevant tax exemption or similar details; or

(ii) ensured that any third party complied with any other statutory requirements (such as making a declaration of non-residence or similar claim) for any relevant tax exemption; or

(c) such other circumstances as may be specified in the Pricing Supplement.

15.4 Subordinated MTNs

Any Additional Amounts due in respect of the Subordinated MTNs will be subordinated in right of payment as described in Condition 6 ("Subordination").

16 Time limit for claims

A claim against the Issuer for a payment under an MTN is void unless made within 10 years (in the case of principal) or 5 years (in the case of interest and other amounts) from the date on which payment first became due.

Part 6 Events of Default

17 Events of Default

17.1 Event of Default - Unsubordinated MTNs

An Event of Default occurs in relation to a series of Unsubordinated MTNs if:

(a) (**payment default**) the Issuer fails to pay any interest in respect of the Unsubordinated MTNs within 30 days of the relevant due date or any principal in respect of the Unsubordinated MTNs within 7 days of the relevant due date;

(b) (**other default**) the Issuer defaults in performance or observance of any of its obligations under any Unsubordinated MTNs, of such Series (other than those specified in paragraph (a) above), which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after notice requiring such default to be remedied has been given to the Issuer by the relevant MTN Holder;

(c) (**insolvency**) the Issuer becomes insolvent or is unable to pay its debts as they fall due or stops payment of its debts (in each case within the meaning of Australian or any applicable insolvency law);

(d) (**winding up**) an order is made or an effective resolution is passed for the winding up of the Issuer except in any such case:

(i) for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of Unsubordinated MTN Holders; or

(ii) for any winding up in the process of a merger, reconstruction or amalgamation in which the surviving entity has assumed or will assume expressly or by law all the obligations of the Issuer in respect of the MTNs;

(e) (**enforcement against assets**) a distress, attachment, execution or other legal process is levied, enforced or sued out against or on the Issuer or against all or a substantial part of the assets of the Issuer and is not stayed, satisfied or discharged within 60 days or otherwise contested in bona fide proceedings and such occurrence would materially prejudice the performance by the Issuer of its obligations under the MTNs of such Series;

(f) (**enforcement of security**) an encumbrancer takes possession or a receiver or administrator is appointed of the whole or substantially the whole of the undertaking, property, assets or revenues of the Issuer (other than in respect of monies borrowed or raised on a non-recourse basis) and such occurrence is not discharged or stayed within 45 days (or where the proceedings are being contested in good faith, such longer period as may be agreed by an Extraordinary Resolution of the Unsubordinated MTN Holders) and such occurrence would materially prejudice the performance by the Issuer of its obligations under the MTNs of such Series; or

(g) (**cessation of business**) the Issuer ceases to carry on a banking business in the Commonwealth of Australia, or the Issuer's authority under the Banking Act to carry on banking business in Australia is revoked and not replaced by an equivalent authority except in connection

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with a merger, reconstruction or amalgamation where the surviving entity carries on such a banking business and is duly authorised to carrying on banking business in Australia.

Notwithstanding any other provision of this Condition 17.1 ("Event of Default – Unsubordinated MTNs – winding up"), no Event of Default (other than Condition 17.1(d)) in respect of the Unsubordinated MTNs shall occur solely on account of any failure by the Issuer to perform or observe any of its obligations in relation to, or the stopping of payment with respect to, or the agreement or declaration of any moratorium with respect to, or the taking of any proceeding in respect of, any share, note or other security or instrument constituting Tier 1 Capital or Tier 2 Capital.

17.2 Consequences of an Event of Default - Unsubordinated MTNs

Subject to Condition 17.3 ("Rectification"), if any Event of Default occurs and continues unremedied in relation to the Unsubordinated MTNs of any Series or any of them, then any holder of Unsubordinated MTNs then outstanding in that Series may declare by notice to the Issuer (with a copy to the Registrar) that the Redemption Amount (together with any accrued interest) applicable to each Unsubordinated MTN held by it is either payable immediately or on such other date specified in the notice.

The making of this declaration gives immediate effect to its provisions.

17.3 Rectification

An Unsubordinated MTN Holder's right to declare MTNs due and payable terminates if the situation giving cause to it has been cured before such right is exercised.

17.4 Events of Default and Consequences of an Event of Default - Subordinated MTNs

(a) (**payment default**) If a Payment Default occurs and is continuing, a Subordinated MTN Holder may bring proceedings:

(i) to recover any amount then due and payable but unpaid on its Subordinated MTNs (subject to the Issuer being able to make the payment and remain Solvent);

(ii) to obtain an order for specific performance of any other obligation in respect of its Subordinated MTNs; or

(iii) for the Winding Up of the Issuer.

(b) (**winding up default**) If a Winding Up Default occurs and is continuing, a Subordinated MTN Holder may, in addition to taking any of the actions specified in Condition 17.4(a) ("Events of Default and Consequences of an Event of Default - Subordinated MTNs") above, by notice to the Issuer declare that its Subordinated MTNs must be redeemed immediately for an amount equal to the Outstanding Principal Amount of the Subordinated MTNs together with any accrued interest or other amounts (in each case to the extent unpaid) and, subject to Condition 6.3 ("Subordination"), may prove in the Winding Up of the Issuer for that amount.

(c) (**amounts unpaid remain debts**) Any amount not paid either due to Condition 5.3A ("Conditions to payment") or Condition 17.4(a)(i) ("Events of Default and Consequences of an Event of Default - Subordinated MTNs") above remains a debt owing to the Subordinated MTN Holder by

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the Issuer until it is paid and will be payable on the first date on which the relevant Condition is satisfied.

(d) (**no other action**) The Subordinated MTN Holders may not exercise any other remedies (including any right to sue for damages which has the same economic effect as acceleration) as a consequence of an Event of Default or other default other than as specified in this Condition 17.4 ("Events of Default and Consequences of an Event of Default - Subordinated MTNs").

17.5 Additional definitions for Condition 17.4

For the purposes of Condition 17.4 ("Events of Default and Consequences of an Event of Default - Subordinated MTNs"):

(a) "**Payment Default**" means either:

(i) (**failure to pay principal**): the Issuer does not pay any principal or Redemption Amount due in respect of the Subordinated MTNs of the relevant Series within seven days of its due date; or

(ii) (**failure to pay interest or other amounts**) the Issuer does not pay any interest or other amount due in respect of the Subordinated MTNs of the relevant Series within 30 days of its due date,

provided that, to the extent that a payment is not required to be made because of the solvency condition to payment in Condition 5.3A ("Conditions to payment"), the amount is not due and payable and a Payment Default does not occur; and

(b) "**Winding Up Default**" means:

(i) an order is made by a court of competent jurisdiction in Australia for the Winding Up of the Issuer which order is not successfully appealed or permanently stayed within 60 days of the making of the order; or

(ii) an effective resolution is passed by shareholders or members for the Winding Up of the Issuer in Australia,

other than for the purposes of a consolidation, amalgamation, merger or reconstruction which has been approved by an Extraordinary Resolution of the relevant Subordinated MTN Holders or in which the surviving entity has assumed or will assume expressly or by law all obligations of the Issuer in respect of the Subordinated MTNs of the relevant Series.

17.6 Notification

If an Event of Default occurs, the Issuer must 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 MTN Holders of the occurrence of the Event of Default by registered post to the address of the MTN Holder recorded in the Register.

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Part 7 General

18 Agents

18.1 Role of Agents

In acting under the relevant Agency Agreement and in connection with the MTNs, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the MTN Holders.

18.2 Appointment and replacement of Agents

The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. Subject to Condition 18.3 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

18.3 Required Agents

The Issuer must:

(a) at all times maintain a Registrar;

(b) if a Calculation Agent is specified in the relevant Pricing Supplement, at all times maintain a Calculation Agent; and

(c) if an I&P Agent (Offshore) is specified in the relevant Pricing Supplement, at all times maintain an I&P Agent (Offshore).

18.4 Change of Agent

Notice of any change of a relevant Agent or its Specified Offices must promptly be given to the relevant MTN Holders by the Issuer or the Agent on its behalf.

19 Meetings of MTN Holders

19.1 Meetings provisions

The Meetings Provisions contain provisions (which have effect as if incorporated in these Conditions) for convening meetings of the MTN Holders of any Series to consider any matter affecting their interests, including, subject to Condition 20.1(b) ("Variation with consent") the variation of these Conditions or the relevant Pricing Supplement.

Any such variation may be made if sanctioned by an Extraordinary Resolution and agreed by the Issuer. Such a meeting may be convened by the Issuer and must be convened by the Issuer upon the request in writing of MTN Holders holding not less than 10% of the Outstanding Principal Amount of the Outstanding MTNs. The quorum at any meeting convened to vote on an Extraordinary Resolution will be persons holding or representing more than 50% of the Outstanding Principal Amount of the Outstanding MTNs or 25% at an adjourned meeting. However, certain fundamental matters affecting the rights of MTN Holders may only be sanctioned by an Extraordinary Resolution passed at a meeting of MTN Holders at which persons holding or representing not less than 75% or, at any adjourned meeting, 35% of the Outstanding Principal Amount of the Outstanding MTNs form a quorum.

In addition, a resolution in writing signed by or on behalf of all MTN Holders who for the time being are entitled to receive notice of a meeting of MTN Holders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more MTN Holders.

19.2 Resolutions binding

Any Resolution passed at any meeting of the MTN Holders of any Series is binding on all MTN Holders of such Series, whether or not they are present at the meeting.

20 Variation

20.1 Variation with consent

Subject to Condition 20.2 ("Variation without consent"), any MTN Document (including, without limitations, the MTNs and these Conditions) may be varied:

(a) with the approval of the MTN Holders of the relevant Series by Extraordinary Resolution; and

(b) in the case of Subordinated MTNs, subject to the Issuer having obtained the prior written approval of APRA to the variation where such variation may affect the eligibility of Subordinated MTNs as Tier 2 Capital.

20.2 Variation without consent

The Issuer may vary any MTN Document (including, without limitation, the MTNs and these Conditions) without the approval of the MTN Holders if, in the reasonable opinion of the Issuer, the variation:

(a) is necessary or advisable to comply with any law;

(b) is necessary to correct an obvious error, or otherwise of a formal, technical or administrative nature only;

(c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision;

(d) is not materially prejudicial to the interests of the MTN Holders as a whole; or

(e) only applies to MTNs issued by the Issuer after the date of the amendment; and

(f) in the case of Subordinated MTNs, the Issuer has obtained the prior written approval of APRA where such variation may affect the eligibility of Subordinated MTNs as Tier 2 Capital.

21 Further issues

The Issuer may from time to time, without the consent of the MTN Holders, issue further MTNs having the same Conditions as the MTNs of any Series in all respects (or in all respects except for the first payment of interest) so as to form a single series with the MTNs of that Series, provided that, in the case of Subordinated MTNs, the requirements of APRA that the Subordinated MTNs be eligible to be treated as Tier 2 Capital are met. References in these Conditions to

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the MTNs include (unless the context requires otherwise) any other MTNs issued pursuant to this Condition and forming a single Series with the MTNs.

22 Notices

22.1 Notices to MTN Holders

All notices, certificates, consents, approvals, waivers and other communications in connection with an MTN to the MTN Holders must be in writing and may be:

(a) sent by prepaid post (airmail if appropriate) or left at the address of the relevant MTN Holder (as shown in the relevant Register at the close of business on the day which is 3 Business Days before the date of the relevant notice or communication); or

(b) given by an advertisement published in the Australian Financial Review or The Australian; or

(c) if the Pricing Supplement for the MTN specifies an additional or alternate newspaper, given by publication in that newspaper.

22.2 Notices to the Issuer and the Registrar

All notices, and other communications to the Issuer and the Registrar must be in writing and may be sent by prepaid post or left at the address of the registered office of the Issuer or the Registrar or such other address as is notified to MTN Holders from time to time.

22.3 When effective

Communications take effect from the time they are received or taken to be received (whichever happens first) unless a later time is specified in them.

22.4 Receipt - publication in newspaper

If published in a newspaper, communications are taken to be received on the first date that publication has been made in all the required newspapers.

22.5 Receipt - postal

Unless a later time is specified in it, a notice, if sent by post, is taken to be received on the next succeeding Business Day in the place of the addressee.

22.6 Non-receipt of notice

If there are two or more MTN Holders, the non-receipt of any notice by, or the accidental omission to give any notice to, an MTN Holder does not invalidate the giving of that notice.

23 Currency indemnity

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if an MTN Holder receives an amount in a currency other than that in which it is due:

(a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value

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tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and

(b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

24 Substitution of the Issuer

24.1 Substitution of Issuer

The Issuer may with respect to any Series of MTNs issued by it, except any Series of Subordinated MTNs ("**Relevant MTNs**"), without the consent of any MTN Holder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the Relevant MTNs and the relevant Agency Agreement ("**Substituted Debtor**") upon notice by the Issuer and the Substituted Debtor to be given by publication in accordance with Condition 22.1 ("Notices to MTN Holders"), provided that:

(a) the Issuer is not in default in respect of any amount payable under any of the Relevant MTNs;

(b) the rating of the Programme, and if relevant, the MTNs, will not be downgraded as a result of the substitution;

(c) the Issuer and the Substituted Debtor have entered into such documents ("**Documents**") as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each holder of the Relevant MTNs to be bound by these Conditions, the provisions of the Agency Agreement and the MTN Deed Poll, as the debtor in respect of such Relevant MTNs in place of the Issuer (or of any previous substitute under this Condition 24 ("Substitution of the Issuer"));

(d) the Substituted Debtor has obtained a legal opinion in relation to the enforceability of the Substituted Debtor's obligations under the Documents and the MTN Documents;

(e) if the Substituted Debtor is resident for tax purposes in a territory ("**New Residence**") other than that in which the Issuer prior to such substitution was resident for tax purposes ("**Former Residence**"), the MTN Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each holder of the Relevant MTNs has the benefit of an undertaking in terms corresponding to the provisions of Condition 15 ("Taxation"), with, where applicable, the substitution of references to the Former Residence with references to the New Residence;

(f) the Substituted Debtor and the Issuer have obtained all necessary regulatory and governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the MTN Documents;

(g) each competent listing authority, stock exchange, and/or quotation system on or by which the Relevant MTNs are admitted to listing, trading and/or quotation have confirmed that, following the proposed substitution of the Substituted Debtor, the Relevant MTNs will continue to be admitted to listing, trading and/or quotation by the relevant competent listing authority, stock exchange, and/or quotation system; and

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(h) if applicable, the Substituted Debtor has appointed a process agent as its agent to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Relevant MTNs.

24.2 Substituted Debtor's rights under MTN Documents

Upon such substitution:

(a) the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Relevant MTNs, the MTN Documents with the same effect as if the Substituted Debtor had been named as the Issuer in it;

(b) and the Issuer shall be released from its obligations under the Relevant MTNs and under the MTN Documents; and

(c) references in these Conditions to the Issuer are taken, where the context so requires, to be or include references to such Substituted Debtor.

24.3 Further substitutions

After a substitution pursuant to Condition 24.1 ("Substitution of Issuer"), the Substituted Debtor may, without the consent of any MTN Holder, effect a further substitution. All the provisions specified in Conditions 24.1 ("Substitution of Issuer") and 24.2 ("Substituted Debtor's rights under MTN Documents") shall apply mutatis mutandis, and references in these Conditions to the Issuer are taken, where the context so requires, to be or include references to any such further Substituted Debtor.

24.4 Reversing substitution

After a substitution pursuant to Conditions 24.1 ("Substitution of Issuer") or 24.2 ("Substituted Debtor's rights under MTN Documents") any Substituted Debtor may, without the consent of any MTN Holder, reverse the substitution, mutatis mutandis.

25 Governing law and jurisdiction

25.1 Governing law

The MTNs are governed by the law in force in Victoria, Australia.

25.2 Jurisdiction

The Issuer submits to the non-exclusive jurisdiction of the courts of Victoria and courts of appeal from them. The Issuer waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

25.3 Serving documents

Without preventing any other method of service, any document in any action may be served on a party by being delivered or left at that party's address in the MTN Deed Poll.

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26 Interpretation

26.1 Definitions

In these Conditions the following expressions have the following meanings:

Accrual Yield has the meaning given in the relevant Pricing Supplement.

Additional Amount means an additional amount payable by the Issuer under Condition 15.2 ("Withholding tax").

Additional Business Centre has the meaning given in the relevant Pricing Supplement.

ADI means an authorised deposit-taking institution as defined in the Banking Act.

Agency Agreement means:

(a) the Registry Services Agreement; and

(b) the I&P Agency Agreement (Offshore); and

(c) any other agency agreement entered into by the Issuer in relation to an issue of MTNs under the Programme.

Agent means the Registrar, each Calculation Agent and the I&P Agent (Offshore) and includes any successor, substitute or additional agent appointed under an Agency Agreement from time to time.

Alternate Currency means a currency (other than Australian dollars) which is specified in the Pricing Supplement.

Amortised Face Amount means, in relation to an MTN, an amount equal to the sum of:

(a) the issue price specified in the Pricing Supplement; and

(b) the amount resulting from the application of the amortisation yield specified in the Pricing Supplement (compounded annually) to the issue price (as specified in the Pricing Supplement) from (and including) the Issue Date specified in the Pricing Supplement to (but excluding) the date fixed for redemption or (as the case may be) the date the MTN becomes due and repayable.

If the calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year must be made on the basis of the Day Count Fraction specified in the Pricing Supplement.

Approved NOHC means an entity which:

(a) is a non-operating holding company within the meaning of the Banking Act; and

(b) has agreed for the benefit of MTN Holders:

(i) to issue fully paid ordinary shares in its capital under all circumstances when the Issuer would otherwise have been required to Convert a principal amount of Subordinated MTNs, subject to the same terms and conditions as set out in these Conditions (with all necessary modifications); and

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(ii) to use all reasonable endeavours to procure quotation of Approved NOHC Ordinary Shares issued upon Conversion of Relevant Subordinated MTNs on ASX.

Approved NOHC Ordinary Shares has the meaning given to it in Condition 13A.13 ("Substitution of Approved NOHC as issuer of Ordinary Shares").

APRA means the Australian Prudential Regulation Authority or any successor Government Agency responsible for prudential regulation.

Assets means, in respect of the Issuer, its total non-consolidated gross assets as shown by its latest published audited financial statements but adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or its liquidator may determine to be appropriate.

ASX means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires.

ATO means the Australian Taxation Office or any successor Government Agency responsible for income taxation.

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

Austraclear Regulations means the regulations known as "Austraclear System Regulations" established by Austraclear to govern the use of the Austraclear System.

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

Australian Tax Act means the Income Tax Assessment Act 1936 of Australia and where applicable any replacement legislation including, but not limited to, the Income Tax Assessment Act 1997 of Australia.

Bank Bill Rate means, for a Floating Rate MTN and for an Interest Period, the average mid rate for Bills having a tenor closest to the Interest Period as displayed on the "BBSW" page of the Reuters Monitor System on the first day of that Interest Period.

However, if the average mid rate is not displayed by 10:30 am on that day, or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, **Bank Bill Rate** means the rate determined by the Calculation Agent in good faith at approximately 10:30 am on that day, having regard, to the extent possible, to the mid rate of the rates otherwise bid and offered at or around that time for Bills of that tenor accepted by an ADI.

Banking Act means the Banking Act 1959 of Australia.

Bill has the meaning it has in the Bills of Exchange Act 1909 of Australia and a reference to the acceptance of a Bill is to be interpreted in accordance with that Act.

Business Day means a day on which commercial banks and foreign exchange markets are open to settle payments and for general business in Sydney and Melbourne and in each (if any) Additional Business Centre and on which the relevant Clearing System (if any) for the relevant MTN is operating.

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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 MTN, have the following meanings:

(a) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;

(b) **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 brought forward to the first preceding day that is a Business Day;

(c) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and

(d) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

Calculation Agent means the Registrar or any other person specified in the relevant Pricing Supplement as the party responsible for calculating the Interest Rate and the amount of interest payable in respect of an MTN for an Interest Period or any other amount required to be calculated under these Conditions or specified in the relevant Pricing Supplement.

CHESS means the Clearing House Electronic Subregister System operated by ASX.

Clearing System means:

(a) the Austraclear System;

(b) Euroclear;

(c) Clearstream; or

(d) any other clearing system specified in the relevant Pricing Supplement.

Clearstream means Clearstream Banking, société anonyme.

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

Control has the meaning given in the Corporations Act.

Convert has the meaning given to it in Condition 13A.4 ("Conversion of Subordinated MTNs").

Conversion Date has the meaning given to it in Condition 13A.2 ("Relevant Tier 1 Capital Instruments to be converted or written-off first where permitted").

Corporations Act means the Corporations Act 2001 of Australia.

Day Count Fraction means, in respect of the calculation of an amount of interest of any MTN for any period of time ("**Calculation Period**"), the day count fraction specified in these Conditions or the relevant Pricing Supplement and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;

(b) if "**Actual/365**" **or** "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

(i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and

(ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "**30/360**" is so specified, means 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 twelve 30-day months unless:

(i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day is not considered to be shortened to a 30-day month; or

(ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February is not considered to be lengthened to a 30-day month);

(f) if "**30E/360**" **or** "**Eurobond Basis**" is so specified means, 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 twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February is not considered to be lengthened to a 30-day month);

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(g) if "**RBA Bond Basis**" or "**Australian Bond Basis**" is so specified, means one divided by the number of Interest Payment Dates in a year; and

(h) any other Day Count Fraction specified in the relevant Pricing Supplement.

Denomination means, for an MTN, the principal amount of the MTN specified in the Pricing Supplement.

Directive means:

(a) a law; or

(b) a treaty, an official directive, request, regulation, guideline or policy having the force of law or compliance with which is in accordance with general practice of responsible participants in the market concerned.

Director means a director of the Issuer.

Early Redemption Date (Call) has the meaning given in the relevant Pricing Supplement.

Early Redemption Date (Put) has the meaning given in the relevant Pricing Supplement.

Equal Ranking Instruments means any instrument that ranks in a Winding Up of the Issuer as the most junior claim in the Winding Up of the Issuer ranking senior to Junior Ranking Instruments and includes:

(a) the Undated Subordinated Floating Rate Notes issued under the trust deed dated 4 October 1986 between Issuer and The Law Debenture Trust Corporation p.l.c, as amended from time to time (except in so far as such amendment is inconsistent with such ranking); and

(b) any other instruments issued after 1 January 2013 as Relevant Tier 2 Capital Instruments.

Euroclear means the Euroclear Systems operated by Euroclear Bank S.A./N.V.

Event of Default has the meaning given in Condition 17 ("Events of Default").

Extraordinary Resolution has the meaning given in the Meetings Provisions.

Fixed Coupon Amount has the meaning given in the relevant Pricing Supplement.

Fixed Rate MTN means an MTN on which interest is calculated at a fixed rate payable in arrears on a fixed date or fixed dates in each year and on redemption or on any other dates as specified in the relevant Pricing Supplement.

Floating Rate MTN means an MTN on which interest is calculated at a floating rate payable 1, 2, 3, 6, or 12 monthly or in respect of any other period or on any date specified in the relevant Pricing Supplement.

Foreign Holder has the meaning given to it in Condition 13A.10 ("Issue to nominee").

Government Agency means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity.

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Inability Event has the meaning given to it in Condition 13A.6 ("Write-Off of Subordinated MTNs due to Inability Event").

Index Linked MTN means an MTN in respect of which the amount payable in respect of interest is calculated by reference to an index or a formula or both as specified in the relevant Pricing Supplement.

Information Memorandum means at any time any current information memorandum (and any supplement to it) prepared on behalf of, and approved by, the Issuer in connection with the issue of MTNs and includes:

(a) all documents incorporated by reference in it; and

(b) any other information (including a Pricing Supplement) approved by the Issuer from time to time.

Instalment Amounts has the meaning given in the relevant Pricing Supplement.

Instalment Dates has the meaning given in the relevant Pricing Supplement.

Instalment MTN means an MTN which is redeemable in one or more instalments, as specified in the relevant Pricing Supplement.

Interest Commencement Date means, for an MTN, the Issue Date of the MTN or any other date so specified in the relevant Pricing Supplement.

Interest Determination Date has the meaning given in the relevant Pricing Supplement.

Interest Payment Date means each date so specified in, or determined in accordance with, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement as adjusted in accordance with the relevant Business Day Convention.

Interest Period means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

(a) the first Interest Period commences on (and includes) the Interest Commencement Date; and

(b) the final Interest Period ends on (but excludes) the Maturity Date.

Interest Rate means, for an MTN, the interest rate (expressed as a percentage per annum) payable in respect of that MTN specified in the relevant Pricing Supplement or calculated or determined in accordance with these Conditions or the relevant Pricing Supplement.

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (as supplemented, amended and updated as at the Issue Date of the first Tranche of the MTNs of the relevant Series).

ISDA Rate means for a Floating Rate MTN and an Interest Period, the rate the Calculation Agent determines would be the Floating Rate under a Swap Transaction if the Calculation Agent were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(a) the Floating Rate Option, the Designated Maturity and the Reset Date are as specified in the Pricing Supplement; and

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(b) the Period End Dates are each Interest Payment Date, and the Floating Rate Day Count Fraction is the Day Count Fraction; and

For the purposes of this definition, "Swap Transaction", "Floating Rate", "Floating Rate Option", "Designated Maturity", "Reset Date", "Period End Date", and "Floating Rate Day Count Fraction" have the meanings given to those terms in the ISDA Definitions.

I&P Agency Agreement (Offshore) means any agreement between the relevant I&P Agent (Offshore) and the Issuer and any replacement of it relating to the Programme which is identified by the Issuer as being a document within the meaning of this definition.

I&P Agent (Offshore) in relation to all or any Series or Tranche of MTNs, means each person appointed by the Issuer with the consent of the Permanent Dealer, to perform issue and paying agency functions with respect to that Series or Tranche of MTNs initially lodged and held through (or predominantly through) Euroclear, Clearstream or such other system as is agreed from time to time by the Issuer, the relevant Dealer and the relevant I&P Agent (Offshore), details of which are specified in the relevant Pricing Supplement or in the Information Memorandum.

Issue Date means the date on which an MTN is, or is to be issued, as specified in, or determined in accordance with, the relevant Pricing Supplement.

Issue Date VWAP has the meaning given to it in the Schedule.

Issue Price of an MTN means the price at which that MTN is issued as specified in the relevant Pricing Supplement.

Issuer has the meaning given to it in Condition 1.1 ("Programme").

Issuer Group means the Issuer and its Controlled entities.

Junior Ranking Instruments means:

(a) any instrument issued as Tier 1 Capital (whether or not constituting Tier 1 Capital at the Issue Date or at the time of commencement of Winding Up of the Issuer); and

(b) any shares (including Ordinary Shares) in the capital of the Issuer (other than shares issued as Tier 2 Capital),

or any claims in respect of a shareholding including claims described in sections 563AA and 563A of the Corporations Act.

Liabilities means, in respect of the Issuer, its total non-consolidated gross liabilities as shown by its latest published audited financial statements but adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or its liquidator may determine to be appropriate.

Margin means the margin specified in, or determined in accordance with, the relevant Pricing Supplement.

Maturity Date means, for an MTN, the date specified in the relevant Pricing Supplement as the date for redemption of that MTN as adjusted in accordance with the relevant Business Day Convention.

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Meetings Provisions means the provisions for the convening of meetings of, and passing of resolutions by, MTN Holders set out in schedule 2 of the MTN Deed Poll.

MTN means a medium term registered debt obligation of the Issuer constituted by, and owing under the MTN Deed Poll, the details of which are recorded in, and evidenced by, entry in, the Register.

MTN Deed Poll means the deed poll so entitled executed by the Issuer on or about 11 November 2003, amended and restated as at 5 September 2014 and previously amended and restated as at 15 May 2007, 12 March 2009, 23 August 2011 and 5 March 2014.

MTN Documents means:

(a) each Agency Agreement;

(b) the MTN Deed Poll;

(c) these Conditions; and

(d) any other document which the Issuer acknowledges in writing to be an MTN Document.

MTN Holder means, for an MTN, each person whose name is entered in the Register as the holder of that MTN. If an MTN is held in a Clearing System, references to the MTN Holder of that MTN include the operator of that Clearing System or a nominee for that operator or a common depository for one or more Clearing Systems (in each case acting in accordance with the rules and regulations of the Clearing System or Clearing Systems).

Non-Viability Amount has the meaning given to it in Condition 13A.2 ("Relevant Tier 1 Capital Instruments to be converted or written-off first where permitted").

Non-Viability Determination has the meaning given to it in Condition 13A.1 ("Non-Viability Trigger Event").

Non-Viability Trigger Event has the meaning given to it in Condition 13A.1 ("Non-Viability Trigger Event").

Non-Viability Trigger Event Notice has the meaning given to it in Condition 13A.7 ("Non-Viability Event Trigger Notice").

Ordinary Shares has the meaning given to it in the Schedule.

Outstanding means in relation to the MTNs of all or any Series, all of the MTNs of such Series other than:

(a) MTNs which have been redeemed or satisfied in full by the Issuer; or

(b) MTNs for which funds equal to their aggregate Outstanding Principal Amount are on deposit with the Registrar on terms which prohibit the redemption of those MTNs or in respect of which the Registrar holds an irrevocable direction to apply funds in repayment of MTNs to be redeemed on that day;

(c) MTNs in respect of which an MTN Holder is unable to make a claim as a result of the operation of Condition 16 ("Time limit for claims"); or

(d) in the case of any Subordinated MTNs, a Subordinated MTN which has been Converted or Written-Off in full.

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Outstanding Principal Amount means at any time, the amount of the principal in respect of an MTN, determined in accordance with Condition 26.6 ("References to principal and interest") that is outstanding.

Permanent Dealer means a dealer appointed in accordance with the relevant dealer agreement to act as a dealer to the Programme, but not including a dealer appointed only in relation to a Tranche of MTNs.

Pricing Supplement means, in respect of a Tranche, a pricing supplement specifying the relevant issue details in relation to it.

Programme means the debt issuance programme established by the Issuer.

Record Date means, for a payment due in respect of an MTN, the eighth calendar day before the relevant payment date or any other date specified in, or determined in accordance with, the Pricing Supplement.

Redemption Amount means:

(a) for a Fixed Rate MTN or a Floating Rate MTN, the Outstanding Principal Amount of the MTN on the date it is redeemed;

(b) for a Zero Coupon MTN, the Amortised Face Amount of the Zero Coupon MTN calculated on the date it is redeemed; and

(c) for a Structured MTN, the amount determined by the Calculation Agent on the date and in the manner specified in the Pricing Supplement.

It also includes any amount in the nature of a redemption amount specified in, or determined in accordance with, the Pricing Supplement or these Conditions.

Reference Banks means, for a Floating Rate MTN in respect of which "Screen Rate" applies, the financial institutions specified in the Pricing Supplement or, if none are specified, four leading banks selected by the Calculation Agent in the Relevant Financial Centre.

Reference Price has the meaning given in the relevant Pricing Supplement.

Reference Rate has the meaning given in the relevant Pricing Supplement.

Register means a register, including any branch register, of holders of MTNs established and maintained by or on behalf of the Issuer under the Registry Services Agreement.

Registrar means Austraclear Services Limited (ABN 28 003 284 419) or any other person appointed by the Issuer under the Registry Services Agreement to maintain the Register and perform any payment and other duties as specified in that agreement.

Registry Services Agreement means the agreement titled "The ASX Austraclear Registry and IPA Services Agreement" dated on or about 23 August 2011 between the Issuer and the Registrar in relation to the MTNs and any other registry services agreement from time to time entered into between the Issuer and a Registrar.

Regular Period means:

(a) in the case of MTNs where interest is scheduled to be paid only by means of regular payments, each Interest Period;

(b) in the case of MTNs where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and

(c) in the case of MTNs where, apart from one Interest Period other than the first Interest Period (the "**Irregular Interest Period**"), interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the Irregular Interest Period.

Regulatory Capital means a Tier 1 Capital Instrument or a Tier 2 Capital Instrument.

Regulatory Event has the meaning given to it in Condition 12.4 ("Early redemption of Subordinated MTNs for regulatory reasons").

Related Entity has the meaning given by APRA from time to time.

Relevant Capital Instruments means each of:

(a) Relevant Tier 1 Capital Instruments; and

(b) Relevant Tier 2 Capital Instruments.

Relevant Financial Centre means, for a Floating Rate MTN in respect of which "Screen Rate" applies, the place specified in the Pricing Supplement.

Relevant Indebtedness means any present or future indebtedness of the Issuer or any other person or entity in the form of, or represented by, bonds, notes, debentures or other securities which are capable of being listed, quoted, ordinarily dealt in or traded on any recognised securities market.

Relevant Screen Page means, for a Floating Rate MTN in respect of which "Screen Rate" applies:

(a) the page, section or other part of a particular information service (including the Reuters Monitor Money Rates Service and the Dow Jones Telerate Service) which displays the applicable Reference Rate, as specified in the Pricing Supplement; or

(b) any other page, section or other part as may replace it on that information service or another information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

Relevant Tax Jurisdiction means the Commonwealth of Australia or any political subdivision or any authority therein or of such jurisdiction having power to tax to which the Issuer becomes subject in respect of payments made by it under or in respect of the MTNs.

Relevant Tier 1 Capital Instrument means a Tier 1 Capital Instrument that in accordance with its terms or by operation of law is capable of being written-off or converted into Ordinary Shares when a Non-Viability Determination is made.

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Relevant Tier 2 Capital Instrument means a Tier 2 Capital Instrument that in accordance with its terms or by operation of law is capable of being written-off or converted into Ordinary Shares when a Non-Viability Determination is made.

Relevant Time has the meaning given in the relevant Pricing Supplement.

Screen Rate means, for a Floating Rate MTN and an Interest Period, the quotation offered for the Reference Rate as displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

(a) if more than one offered quotation is displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, "**Screen Rate**" means the rate the Calculation Agent calculates as the average of the offered quotations. If there are more than five offered quotations displayed, the Calculation Agent must exclude the highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation; or

(b) if an offered quotation is not displayed on the Relevant Screen Page by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines that there is an obvious error in that offered quotation, the "**Screen Rate**" means:

(i) the rate the Calculation Agent calculates as the average of the Reference Rates quoted by the Reference Banks to leading banks in the Relevant Financial Centre at or about the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period; or

(ii) if the Calculation Agent is unable to calculate a rate under paragraph (i) because it is unable to obtain at least two quotes, the rate the Calculation Agent calculates as the average of the rates per annum (being the nearest equivalent to the Reference Rate) quoted by two or more leading banks in the Relevant Financial Centre selected by the Calculation Agent to leading banks in the Relevant Financial Centre at or about the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period; or

(c) if the Pricing Supplement specifies an alternative method for determination of the Screen Rate, then that alternative method applies.

Security Interest means any mortgage, pledge, lien or charge or other security interest, but excluding:

(a) any charge or lien arising in favour of any Government Agency by operation of statute (provided there is no default in payment of moneys owing under such charge or lien);

(b) a right of title retention in connection with the acquisition of goods in the ordinary course of business on the terms of sale of the supplier (provided there is no default in connection with the relevant acquisition);

(c) any security or preferential interest or arrangement arising under or created pursuant to any right of set-off; and

(d) a charge or lien arising in favour of a Clearing System or custodian.

Series means an issue of MTNs made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue

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Date, Issue Price, and interest commencement date may be different in respect of a different Tranche of a Series.

Senior Creditors means all present and future creditors of the Issuer (including but not limited to depositors of the Issuer) whose claims:

(a) would be entitled to be admitted in the Winding Up of the Issuer; and

(b) are not in respect of Equal Ranking Instruments or Junior Ranking Instruments.

including creditors in respect of Subordinated MTNs issued by the Issuer before 1 January 2013.

Solvent means that each of the following is the case:

(a) the Issuer is able to pay its debts as they fall due; and

(b) its Assets exceed its Liabilities.

Specified Denomination means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement as it may be adjusted, in the case of Subordinated MTNs, in accordance with Condition 13A.3 ("General provisions relating to Conversion and Write-Off").

Specified Office means the office specified in the most recent information memorandum for the Programme or any other address notified to MTN Holders from time to time.

Specified Period has the meaning given in the relevant Pricing Supplement.

Structured MTN means:

(a) an Index Linked MTN; or

(b) an Instalment MTN.

Subordinated MTN means an MTN that is specified in the relevant Pricing Supplement as being a Subordinated MTN .

Subordinated MTN Holder means, in respect of a Subordinated MTN,

(a) for the purposes of determining the person entitled to be issued Ordinary Shares (or, where Condition 13A.10 ("Issue to nominee") applies, the net proceeds of sale of such shares) and the amount of their entitlements:

  (i) for so long as such Subordinated MTNs are held in the Austraclear System, a person who is a Participant (as defined in the Austraclear Regulations); and

  (ii) for so long as such Subordinated MTNs are held in any other Clearing System specified in the relevant Pricing Supplement and Ordinary Shares are not able to be held in that Clearing System, a participant of that Clearing System;

(b) for all other purposes, a person whose name is entered in the Register as the holder of that Subordinated MTN. If a Subordinated MTN is held in a Clearing System, references to the Subordinated MTN Holder of that Subordinated MTN include the operator of that Clearing System or a nominee for that operator or a common depository for one or more

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Clearing Systems (in each case acting in accordance with the rules and regulations of the Clearing System or Clearing Systems).

Taxes means taxes, levies, imposts, deductions, charges or withholdings and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties and expenses in connection with them.

TCD has the meaning given in the TCD Terms and Conditions set out in the TCD Deed Poll.

TCD Deed Poll means the deed poll so entitled executed by the Issuer on or about 12 March 2009, amended and restated as at 5 March 2014 and previously amended and restated as at 23 August 2011.

TCD Holder has the meaning given in the TCD Terms and Conditions set out in the TCD Deed Poll.

Tier 1 Capital means the Tier 1 Capital of the Issuer (on a Level 1 basis) or the Issuer Group (on a Level 2 basis) as defined by APRA from time to time.

Tier 1 Capital Instrument means a share, note or other security or instrument constituting Tier 1 Capital.

Tier 2 Capital means the Tier 2 Capital of the Issuer (on a Level 1 basis) or the Issuer Group (on a Level 2 basis) as defined by APRA from time to time.

Tier 2 Capital Instrument means a share, note or other security or instrument constituting Tier 2 Capital.

Tranche means an issue of MTNs specified as such in the relevant Pricing Supplement issued on the same Issue Date and on the same Conditions (except that a Tranche may comprise MTNs in more than one denomination).

Transferee has the meaning given to it in Condition 13A.13 ("Substitution of Approved NOHC as issuer of Ordinary Shares").

Unsubordinated MTN means an MTN specified in the relevant Pricing Supplement as being unsubordinated.

Unsubordinated MTN Holder means an MTN Holder holding an Unsubordinated MTN.

VWAP has the meaning given to it in the Schedule.

Winding Up means a winding up by a court of competent jurisdiction or otherwise under applicable law (which, in the case of Australia, includes the Corporations Act).

Winding Up Default has the meaning given in Condition 17.5 ("Additional definitions for Condition 17.4").

Written-Off means, in respect of an Outstanding Principal Amount of Subordinated MTNs, the rights of the Subordinated MTN Holder (including to payment of any principal or interest) in relation to that principal amount of such Subordinated MTNs are written off and immediately and irrevocably terminated (and "**Write-Off**" when used herein has a corresponding meaning).

Zero Coupon MTN means an MTN which does not entitle the MTN Holder to the periodic payment of interest before its Maturity Date and which is issued at a discount to its Denomination.

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26.2 References to certain general terms

Unless the contrary intention appears, a reference in these Conditions to:

(a) a group of persons is a reference to any two or more of them jointly and to each of them individually;

(b) a document (including these Conditions) includes any variation or replacement of it;

(c) law means common law, principles of equity and laws made by any parliament (and laws made by parliament include federal or state laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);

(d) Australian dollars or A$ is a reference to the lawful currency of Australia and a reference to US dollars or US$ is a reference to the lawful currency of the United States of America;

(e) a time of day is a reference to Melbourne time;

(f) the word "person" includes an individual, a firm, a body corporate, an unincorporated association and an authority;

(g) a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;

(h) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;

(i) anything (including any amount) is a reference to the whole and each part of it;

(j) the words "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind; and

(k) in Condition 19 (" Meetings of MTN Holders") and Condition 20 ("Variation"), "vary" includes modify, cancel, alter or add to and "variation" has a corresponding meaning.

26.3 Number

The singular includes the plural and vice versa.

26.4 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions.

26.5 References

Unless the contrary intention appears, in these Conditions:

(a) a reference to an MTN Holder is a reference to the holder of MTNs of a particular Series;

(b) a reference to an MTN is a reference to an MTN of a particular Series;

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(c) if the MTNs are Zero Coupon MTNs, references to interest are not applicable; and

(d) a reference to the approval of APRA to anything occurring (including the redemption of an MTN or a variation of an MTN Document) shall be read as applying to the extent that such approval is required in accordance with any applicable prudential standards.

26.6 References to principal and interest

Unless the contrary intention appears, in these Conditions:

(a) subject to paragraphs (e) and (f) below, any reference to "principal" in the context of an MTN is taken to include the Redemption Amount of the MTN, any premium payable in respect of the MTN when it is issued, and any other amount in the nature of principal payable in respect of the MTN under these Conditions; and

(b) the principal amount of an MTN issued at a discount is to be taken as at any time to equal the lesser of:

(i) its Denomination; and

(ii) if specified in the Pricing Supplement, its Amortised Face Amount at that time;

(c) the principal amount of an MTN which may vary by reference to a schedule or formula at any time is taken to equal its varied amount as determined in accordance with these Conditions;

(d) the principal amount of an Instalment MTN at any time is to be taken to be its Denomination less the total of the Instalment Amounts for that MTN repaid at that time to the extent that those Instalment Amounts relate to a repayment of principal;

(e) the principal amount of a Subordinated MTN when it is issued is equal to its Denomination and remains that amount so long as it is Outstanding except to the extent it has been Converted or Written-Off;

(f) the Outstanding Principal Amount of any Subordinated MTN which has been Converted or Written-Off in part is the principal amount of such Subordinated MTN after such Conversion or Write-Off; and

(g) any reference to "interest" in the context of an MTN is taken to include any interest and any amount in the nature of interest payable in respect of the MTN under these Conditions.

26.7 Terms defined in Pricing Supplement

If these Conditions state that a definition has the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no meaning or specifies that the definition is "Not Applicable", then that definition is not applicable to the MTNs.

26.8 No adjustment to Conversion Date

The operation of Condition 13A ("Conversion or Write-Off of Subordinated MTNs on Non-Viability Trigger Event") and the Schedule is not affected by any other Condition, including the Business Day Convention or Condition 14 ("Payments").

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SCHEDULE – SUBORDINATED MTN CONVERSION MECHANISMS

1.1 Conversion

If the Issuer must Convert a principal amount of a Subordinated MTN in accordance with Condition 13A ("Conversion or Write-Off of Subordinated MTNs on Non-Viability Trigger Event") (a "**Relevant Subordinated MTN**"), then the following provisions shall apply:

(a) on the Conversion Date, the Issuer will, for the Principal Amount of the Relevant Subordinated MTN held by the MTN Holder, allot and issue that number of fully paid ordinary shares in the capital of the Issuer ("**Ordinary Shares**") which is the lesser of the number calculated according to the following formula and the Maximum Conversion Number:

$$\frac{\text{Principal Amount}}{(1-\text{CD})\times \text{VWAP during the VWAP Period}}$$

(the "**Conversion Number**")

where:

Principal Amount means, in respect of a Relevant Subordinated MTN, all or such lesser principal amount of that Relevant Subordinated MTN determined by the Issuer in accordance with Condition 13A.2 ("Relevant Tier 1 Capital Instruments to be converted or written-off first where permitted") to be the proportionate allocation of the aggregate principal amount required to be Converted to that Relevant Subordinated MTN;

CD means the Conversion Discount specified in the applicable Pricing Supplement;

Maximum Conversion Number means in respect of the Principal Amount of a Relevant Subordinated MTN the number calculated according to the following formula:

$$\text{Maximum Conversion Number} = \frac{\text{Principal Amount}}{(\text{Issue Date VWAP}\times \text{Relevant Fraction})}$$

VWAP means, subject to any adjustments under clause 1.2 ("Adjustments to VWAP") of this Schedule, the average of the daily volume weighted average sale prices (such average being rounded to the nearest full cent) of Ordinary Shares sold on ASX during the VWAP Period or on the relevant days (and, where the specified currency of the Principal Amount in respect of the Relevant Subordinated MTN is an Alternate Currency (and not Australian dollars), with each such daily price converted into the Alternate Currency on the basis of the spot rate for the sale of the Australian dollar against the purchase of such Alternate Currency in the London foreign exchange market quoted by any

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leading international bank selected by the Issuer on the relevant day of calculation) but does not include any "Crossing" transacted outside the "Open Session State" or any "Special Crossing" transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares;

VWAP Period means the latest period of five Business Days (or such other period specified in the applicable Pricing Supplement) on which trading in Ordinary Shares took place immediately preceding (but not including) the Conversion Date;

Relevant Fraction means 0.2;

Issue Date VWAP means the VWAP during the period of 20 Business Days or such other period specified in the applicable Pricing Supplement on which trading in Ordinary Shares took place immediately preceding (but not including) the first date on which MTNs of the Series of which the Relevant Subordinated MTNs forms part were issued (the "**Issue Date VWAP Date**"), as adjusted in accordance with clauses 1.4 ("Adjustments to Issue Date VWAP") to 1.7 ("No adjustment to Issue Date VWAP in certain circumstances") (inclusive) of this Schedule;

(b) any calculation under paragraph (a) shall be rounded to four decimal places provided that if the total number of additional Ordinary Shares to be allotted to a Subordinated MTN Holder in respect of the aggregate principal amount of its holding of Relevant Subordinated MTNs upon Conversion includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded;

(c) the rights attaching to Ordinary Shares issued as a result of Conversion do not take effect until 5.00pm (Melbourne, Australia time) on the Conversion Date (unless another time is required for Conversion on that date). At that time all other rights conferred or restrictions imposed on that Subordinated MTN under the Conditions will no longer have effect to the extent of the Principal Amount of that Subordinated MTN being Converted (except for the right to receive the Ordinary Shares as set forth in clause 1.1 ("Conversions") of this Schedule and Condition 13A.4 ("Conversion of Subordinated MTNs)" and except for rights relating to interest which is payable but has not been paid on or before the Conversion Date which will continue).

(d) on the Conversion Date the Issuer will:

(i) redeem the Principal Amount of each Relevant Subordinated MTN held by the MTN Holder;

(ii) apply the proceeds of the redemption of the Principal Amount of each Relevant Subordinated MTN on behalf of the MTN Holder in subscription for the Conversion Number of Ordinary Shares; and

(iii) issue to the relevant MTN Holder, in respect of the Principal Amount of each Relevant Subordinated MTN held by that MTN Holder, a number of Ordinary Shares that is equal to the Conversion Number,

and the rights of the MTN Holder (including to payment of interest with respect to such Principal Amount, both in the future and as accrued but unpaid as at the Conversion Date) in relation to the Principal Amount that is being Converted will be immediately and irrevocably terminated.

The MTN Holder irrevocably directs the Issuer to take all such action in accordance with the above provisions as is necessary to immediately effect Conversion accordingly and the Issuer will take all steps, including updating any register, required to record the Conversion.

Nothing in this clause creates any obligation to pay any amount in respect of the redemption of the Principal Amount of any Relevant Subordinated MTN except by way of the application of the proceeds of that redemption in subscription for the Conversion Number of Ordinary Shares.

1.2 Adjustments to VWAP

For the purposes of calculating the VWAP in this Schedule:

(a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and a principal amount of Relevant Subordinated MTNs will Convert into Ordinary Shares after the date those Ordinary Shares no longer carry that dividend or any other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount (the "**Cum Value**") equal to:

(i) (in case of a dividend or other distribution), the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Income Tax Assessment Acts 1936 and 1997 of Australia;

(ii) (in the case of any other entitlement that is not a dividend or other distribution under clause 1.2(a)(i) ("Adjustments to VWAP") which is traded on ASX on any of those Business Days), the volume weighted average sale price of all such entitlements sold on ASX during the VWAP Period on the Business Days on which those entitlements were traded; or

(iii) (in the case of any other entitlement which is not traded on ASX during the VWAP Period), the value of the entitlement as reasonably determined by the Directors of the Issuer (or a committee authorised by them); and

(b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted on ASX as ex dividend or ex any other distribution or entitlement, and a principal amount of Relevant Subordinated MTNs will Convert into Ordinary Shares in respect of which the relevant dividend or other distribution or entitlement would be payable, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

1.3 Adjustments to VWAP for divisions and similar transactions

Where during the relevant VWAP Period there is a change in the number of Ordinary Shares on issue as a result of a subdivision, consolidation or

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reclassification of the Issuer's share capital not involving any cash payment or other distribution or compensation to or by the holders of Ordinary Shares ("**Reorganisation**"), in calculating the VWAP for that VWAP Period the VWAP on each Business Day in the relevant VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reorganisation basis shall be adjusted by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

B means the aggregate number of Ordinary Shares immediately after the Reorganisation.

1.4 Adjustments to Issue Date VWAP

For the purposes of determining the Issue Date VWAP in respect of a Relevant Subordinated MTN, adjustments to the VWAP will be made in accordance with clauses 1.2 ("Adjustments to VWAP") and 1.3 ("Adjustments to VWAP for divisions and similar transactions") during the VWAP Period for the Issue Date VWAP. On and from the Issue Date VWAP Date, adjustments to the Issue Date VWAP:

(a) may be made in accordance with clauses 1.5 ("Adjustments to Issue Date VWAP for bonus issues") to 1.7 ("No adjustments to VWAP in certain circumstances"); and

(b) if so made, will cause an adjustment to the Maximum Conversion Number by operation of the formula in clause 1.1(a) ("Conversion").

1.5 Adjustments to Issue Date VWAP for bonus issues

(a) Subject to clause 1.5(b) ("Adjustments to Issue Date VWAP for bonus issues"), if after the Issue Date VWAP Date in respect of a Relevant Subordinated MTN, the Issuer makes a pro rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP in respect of the Relevant Subordinated MTNs will be adjusted in accordance with the following formula:

$$V = V_O \times \frac{RD}{RD + RN}$$

where:

V means the Issue Date VWAP applicable to the Relevant Subordinated MTNs immediately after the application of this formula;

V_o means the Issue Date VWAP applicable to the Relevant Subordinated MTNs immediately prior to the application of this formula;

RD means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue; and

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RN means the number of Ordinary Shares issued pursuant to the bonus issue.

(b) Clause 1.5(a) ("Adjustments to Issue Date VWAP for bonus issues") does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.

(c) For the purpose of clause 1.5(a) ("Adjustments to Issue Date VWAP for bonus issues"), an issue will be regarded as a pro rata issue notwithstanding that the Issuer does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing the Issuer is not in contravention of the ASX Listing Rules.

(d) No adjustments to the Issue Date VWAP will be made under this clause 1.5 ("Adjustments to Issue Date VWAP for bonus issues") for any offer of Ordinary Shares not covered by clause 1.5(a) ("Adjustments to Issue Date VWAP for bonus issues"), including a rights issue or other essentially pro rata issue.

(e) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by clause 1.5(a) ("Adjustments to Issue Date VWAP for bonus issues") shall not in any way restrict the Issuer from issuing Ordinary Shares at any time on such terms as it sees fit nor be taken to constitute a modification or variation of rights or privileges of MTN Holders or otherwise requiring any consent or concurrence.

1.6 Adjustment to Issue Date VWAP for divisions and similar transactions

(a) If at any time after the Issue Date VWAP Date in respect of the Relevant Subordinated MTNs there is a change in the number of Ordinary Shares on issue as a result of a Reorganisation, the Issuer shall adjust the Issue Date VWAP applicable to the Relevant Subordinated MTNs by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reorganisation by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

B means the aggregate number of Ordinary Shares immediately after the Reorganisation.

(b) Each MTN Holder acknowledges that the Issuer may consolidate, divide or reclassify securities so that there is a lesser or greater number of Ordinary Shares at any time in its absolute discretion without any such action constituting a modification or variation of rights or privileges of MTN Holders or otherwise requiring any consent or concurrence.

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1.7 No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of clauses 1.5 ("Adjustments to Issue Date VWAP for bonus issues") and 1.6 ("Adjustments to Issue Date VWAP for divisions and similar transactions"), no adjustment shall be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than one per cent. of the Issue Date VWAP then in effect.

1.8 Effect and announcement of adjustments

Any adjustment made by the Issuer to the VWAP or the Issue Date VWAP under this Schedule is effective and binding on the Subordinated MTN Holders and these Conditions will be construed accordingly. The Issuer will notify the MTN Holders of any adjustment to the VWAP or the Issue Date VWAP under this Schedule within 10 Business Days of the Issuer determining the adjustment.

1.9 Listing Ordinary Shares issued on Conversion

The Issuer shall use all reasonable endeavours to procure a quotation of the Ordinary Shares issued upon Conversion of a principal amount of Relevant Subordinated MTNs on ASX. The MTN Holder agrees not to trade Ordinary Shares issued on Conversion (except as permitted by the Corporations Act, other applicable laws and the ASX Listing Rules) until the Issuer has taken such steps as are required by the Corporations Act, other applicable laws and the ASX Listing Rules for the shares to be freely tradeable without such further disclosure or other action and agrees to allow the Issuer to impose a holding lock or refuse to register a transfer in respect of Ordinary Shares until such time.

1.10 Definitions

(a) In this Schedule:

Business Day means a day which is both (i) a day on which banks are open for general banking business in Melbourne and Sydney (not being a Saturday, Sunday or public holiday in that place) and (ii) a day which is a business day for the purposes of the ASX Listing Rules;

ASX means ASX Limited or the securities market operated by it, as the context requires, or any successor;

ASX Listing Rules means the listing rules of ASX as amended, varied or waived (whether in respect of the Issuer or generally) from time to time;

ASX Operating Rules means the market operating rules of ASX as amended, varied or waived (whether in respect of the Issuer or generally) from time to time.

(b) If the principal securities exchange on which Ordinary Shares are listed becomes other than ASX, unless the context otherwise requires, a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, ASX Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be).

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Schedule 2 – Description of rights and liabilities attaching to Ordinary Shares

The rights and liabilities attaching to the Ordinary Shares issued on conversion of the Subordinated MTNs are set out in the constitution of the Issuer ("**Constitution**") and are also regulated by the Corporations Act, ASX Listing Rules and the general law.

The following is a non-exhaustive summary of the main rights attaching to Ordinary Shares:

- (**voting rights**) the right to one vote per Ordinary Share at general meetings of the Issuer;
- (**transfer rights**) the right to transfer Ordinary Shares in accordance with the Constitution;
- (**dividend entitlement**) subject to the rights of holders carrying preferred rights, the right to receive dividends on that Ordinary Share, if and when they are declared;
- (**right to receive information**) the right to receive information required to be distributed under the Corporations Act and ASX Listing Rules; and
- (**winding up**) subject to the rights of holders of shares carrying preferred rights, the right to participate in a surplus of assets on a winding up of the Issuer.

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