

Information Memorandum



BENDIGO AND ADELAIDE BANK LIMITED

(ABN 11 068 049 178)

A\$7,500,000,000 Debt Instrument Programme

Dealers

Australia and New Zealand Banking Group Limited **Bendigo and Adelaide Bank Limited**
(ABN 11 005 357 522) (ABN 11 068 049 178)

Deutsche Bank AG, Sydney Branch **National Australia Bank Limited**
(ABN 13 064 165 162) (ABN 12 004 044 937)

Westpac Banking Corporation
(ABN 33 007 457 141)

20 November 2018

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Important Notice

This Information Memorandum relates solely to the Debt Instrument Programme (“**Programme**”) established for Bendigo and Adelaide Bank Limited (“**Issuer**”) under which transferable deposits (“**TD**”) and subordinated or unsubordinated debt instruments (“**Notes**”) (together, the “**Instruments**”) may be issued up to a maximum aggregate amount of A\$7,500,000,000 (which amount may be increased from time to time by agreement between the Issuer and the Dealers (each as defined in the Programme Summary)).

Date and currency of this Information Memorandum

This Information Memorandum has been prepared by the Issuer as at the Preparation Date (as defined below). The delivery of the Information Memorandum at any time after the Preparation Date does not imply the information contained in it is accurate, timely and complete at any time subsequent to the Preparation Date. Accordingly, neither the delivery of this Information Memorandum, nor any offer or issue of Instruments, implies or should be relied upon as a representation or warranty that there has been no change since the Preparation Date in the affairs or financial condition of the Issuer or that the information contained in this Information Memorandum is correct at any time after the Preparation Date.

In this Information Memorandum, “**Preparation Date**” means:

- in relation to this Information Memorandum, the date indicated on its face or, if the Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to financial accounts incorporated in this Information Memorandum, the date up to or as at the date on which the accounts relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release.

Without limiting this general statement, the Issuer will give an undertaking to the Dealers that if at any time during the term of the Programme it is aware of any fact, condition, matter or thing which renders anything contained in this Information Memorandum inaccurate, incomplete, misleading or deceptive in any material respect, the Issuer will prepare a new Information Memorandum (or a supplement on or amendment to it) for use in any subsequent offering of Instruments.

Responsibility for information

This Information Memorandum has been prepared by and issued with the authority of the Issuer. The Issuer accepts responsibility for it.

The only role of the Dealers and the Registrar (as defined in the Programme Summary) in the preparation of this Information Memorandum has been to confirm to the Issuer that the information as to their identities and descriptions under the headings “Programme Summary” and “Directory” are accurate as at the Preparation Date. Apart from the foregoing, neither the Dealers nor the Registrar has independently verified the information contained in this Information Memorandum, and accordingly the Dealers and the Registrar make no representation or warranty, express or implied, as to and assume no responsibility or liability for the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement, opinion or forecast contained in this Information Memorandum or in any accompanying, previous or subsequent material or presentation.

The Issuer has not authorised any person to give any information or make any representations in connection with the offering of the Instruments other than those contained in this Information Memorandum. The Issuer makes no representation or warranty as to and assumes no responsibility for the authenticity, origin, validity, accuracy or completion of, or any errors or omissions in, any accompanying, previous or subsequent material or presentation, except as expressly set out or stated in such material or presentation. Any information or representation not contained in this Information Memorandum or as otherwise authorised in writing by the Issuer, must not be relied upon as having been authorised by or on behalf of the Issuer, the Dealers or the Registrar.

Intending purchasers to make independent investment decision and obtain tax advice

The information contained in this Information Memorandum is not a recommendation by the Issuer, the Dealers or the Registrar that any person acquire Instruments. Intending purchasers should:

- determine for themselves the relevance of the information contained in this Information Memorandum and must base their investment decision solely upon such independent assessment and investigation as they consider necessary;
- consult their own tax advisers concerning the application of any tax laws applicable to their particular situation; and
- consult with their own legal, tax and other professional investment advisors concerning the implications of investing and holding Notes, including without limitation Subordinated Notes which are subject to mandatory conversion into ordinary shares in the capital of the Issuer or write off in the event of a Non Viability Trigger Event (as defined in the Conditions) occurs.

The Dealers and the Registrar do not undertake to review the financial condition or affairs of the Issuer at any time or to advise any holder of an Instrument of any information coming to their attention with respect to the Issuer or the Instruments.

Distribution

This Information Memorandum has been prepared for persons whose ordinary business includes the buying or selling of Instruments. This Information Memorandum is not intended for and should not be distributed to any other person. Its contents may not be reproduced or used in whole or in part for any purpose other than in conjunction with the Programme, nor furnished to any other person without the express written permission of the Issuer.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Instruments, nor distribute this Information Memorandum, in the Commonwealth of Australia or to any resident of the Commonwealth of Australia, except under circumstances where the offer or invitation does not otherwise require disclosure to investors to be made under Part 6D.2 or Part 7 of the Corporations Act 2001 of Australia (“**Corporations Act**”) and complies with any other applicable laws, regulations or directives.

In addition, distribution and use of this Information Memorandum, and the offer or sale of Instruments, may be restricted by law in certain jurisdictions. The Issuer, the Dealers and the Registrar do not represent that this Information Memorandum may be lawfully distributed, or that any Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of those parties which would permit a public offering of any Instruments or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Instruments may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering material may be distributed or

published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Information Memorandum or any Instruments come must inform themselves about, and observe, any such restrictions.

The Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Subject to certain exceptions, Instruments may not be offered or sold within the United States. For a description of certain restrictions on offers and sales of Instruments and on distribution of any Pricing Supplement and the Information Memorandum, see the section headed “Selling Restrictions”.

References to ratings

There are references in this Information Memorandum to the credit rating of the Instruments and may relate to Senior Notes, TDs or Subordinated Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency. The relevant ratings agencies hold only wholesale Australian Financial Services Licenses in respect of the credit ratings ascribed and therefore its credit ratings are not available to 'retail clients' as defined in section 761G of the Corporations Act. Instruments may not be offered or sold, and this Information Memorandum may not be provided, to a person that is a 'retail client'.

Disclosure of interest

In accordance with the provisions of the Corporations Act, the Registrar and the Dealers disclose that they, their subsidiaries, directors and employees may have pecuniary or other interests in the securities mentioned in this Information Memorandum, and may also have interests pursuant to other arrangements and will receive fees, brokerage and commissions, and may act as principal in any dealings in the Instruments.

Documents incorporated by reference

Where the context so permits, the following documents are incorporated in and deemed to form part of this Information Memorandum:

- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time;
- the most recently published audited financial statements of the Issuer; and
- all documents issued by the Issuer and stated to be incorporated in this Information Memorandum by reference including, in the case of any series of Instruments, a Pricing Supplement.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of this Information Memorandum, shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Copies of documents incorporated by reference are available for inspection from the Issuer at its offices.

References to currencies

In this Information Memorandum references to “A\$” and “Australian Dollars” are to the lawful currency of the Commonwealth of Australia.

Corporate Profile

BENDIGO AND ADELAIDE BANK

Overview

Bendigo and Adelaide Bank Limited (“the Bank”) is an Australian publicly listed company on the ASX and is registered in Victoria under the Corporations Act. The Bank converted from a building society to a bank on 1 July 1995. At the time of conversion, the Bank was Australia’s largest building society and Australia’s oldest, having operated as a building society for 137 years. Over the last 23 years the Bank has grown considerably, both organically and as a result of strategic acquisitions, most notably its merger with Adelaide Bank Limited in 2007. The Bank has headquarters in Bendigo, Victoria and Adelaide, South Australia with the registered office based in Bendigo.

The Bank provides banking and financial services primarily to retail customers and small to medium sized businesses, including agribusiness. The principal activities of the Bank and its controlled entities are the provision of a broad range of banking and other financial services including residential, business and agribusiness and consumer lending, deposit-taking, payments services, wealth management, funds management and superannuation, treasury and foreign exchange services. The Bank is regulated by the Australian Prudential Regulation Authority (“APRA”).

The Bank's business strategy:

The Bank is a retail-focussed domestic Australian bank with circa 80% of its funding sourced from retail customers and has a conservative lending profile.

The Bank’s vision is to be Australia’s bank of choice and its purpose is to feed into the prosperity of its customers and their communities, not off it. The Bank’s purpose is a written expression of its long-held philosophy and it is the Bank’s belief that this is what sets them apart from other financial institutions.

Between 1993 and 2000, more than 2050 bank branches closed across Australia. These closures represented a 29 per cent reduction in branch numbers in just seven years and many communities were left without branch banking facilities. The Bank identified this trend and recognised the impact the reduction in branch numbers was having on communities, and so, in consultation with the communities, the Community Bank® branch model was established.

The Community Bank® model is a reverse-enquiry franchise with the community owning the rights to operate a Bendigo Bank branch. The first Community Bank® branch was established in 1998. The Community Bank® model requires partnerships with local people and community enterprises to provide financial services, employment, a local investment opportunity and a source of revenue for projects determined by local people.

Community Bank® branches provide communities with the certainty of banking services and enables communities to bank the way they want. The community raises funds as capital for the new branch, with community members sitting on the board of their respective branch and largely volunteer their time. The Bank provides all the banking infrastructure, support and staff training to the Community Bank® branches, and the Community Bank® branch and the Bank share all branch revenue. Through the potential to share in branch revenues,

communities have the opportunity to generate profits which can be returned to support and develop the community via dividends to shareholders and grants to community projects.

Over the past 20 years the Community Bank® network has grown to 321 branches, with ongoing demand for new branches. The Community Bank ® network last year served more than 785,000 local customers; employed over 1,500 people, with \$100 million in wages and services spent locally; and more than \$5.5 million in shareholder dividends. The Community Bank ® model recently celebrated its 20th anniversary and has now reached the milestone of \$200 million going back to local communities.

With the Bank's strength in its retail banking channel, it has a strong network of Bendigo Bank branded Community Banks® and company owned branches throughout Australia. With industry leading customer satisfaction and brand advocacy, the Bank is able to leverage this to achieve competitive growth in both deposits and housing lending through the retail network.

Products and services are also distributed under the Adelaide Bank brand, with mortgages distributed via third party channels such as mortgage managers and mortgage brokers. Brokers are important to the Bank, growing our broker channel was a significant focus of 2018 and we are fortunate to have a healthy broker channel and a network of loyal brokers. The Bank's success through this channel has come from offering simple, relevant products that resonate with both brokers and customers, with the Bank's 100% offset account one of the most popular products among the broker population.

Our Wealth and Leveraged businesses offer products such as managed funds, cash management, superannuation and margin lending, distributed through subsidiaries and under brands including Sandhurst Trustees, Leveraged and Bendigo Financial Planning.

The Agribusiness division is a specialist rural lending provider operating primarily under the Rural Bank brand. The division provides specialist financial products and services to primary producers and agribusiness participants through a national network of distribution partners and agribusiness lending specialists, mainly based in rural and regional centres.

Delphi Bank (formerly known as Bank of Cyprus Australia) was acquired in February 2012, with a focus on Greek and Cypriot communities across New South Wales, Victoria and South Australia. Bank of Cyprus Australia was the largest Hellenic bank in Australia with a strong track record of growth driven by successful community engagement and customer satisfaction.

The brands that make up the Bank's diverse business are grouped into operating brands, product issuer brands, joint ventures, subsidiaries and other brands that support our 1.6 million customers. These brands share a common purpose: help customers, partners and communities succeed.

Programme Summary

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Term Instruments, in conjunction with the relevant Pricing Supplement and, to the extent applicable, the Terms and Conditions of the Instruments as set out in this Information Memorandum.

Issuer: Bendigo and Adelaide Bank Limited (ABN 11 068 049 178).

Programme: A combined non-underwritten revolving domestic debt instrument programme for the acceptance of TDs and the issue of Notes. The Notes or TDs, as the case may be, may be issued as either Term Instruments (with a maturity of not less than 365 days) (“**Term Instruments**”) or Short Term Instruments (with a maturity of not less than 7 days and not more than 364 days) (“**Short Term Instruments**”).

Notes which are subordinated pursuant to Condition 4 of the relevant Terms and Conditions (“**Subordinated Notes**”) may only be issued as Term Instruments.

Programme Limit: A\$7,500,000,000 (or its equivalent in any other currency). The Programme Limit may be increased by agreement between the Issuer and the then current Dealers to the Programme from time to time.

Dealers: Australia and New Zealand Banking Group Limited
Bendigo and Adelaide Bank Limited
Deutsche Bank AG, Sydney Branch
National Australia Bank Limited
Westpac Banking Corporation

Dealers to the Programme (in respect of Short Term Instruments, Term Instruments or both) may be appointed from time to time in accordance with the Dealer Agreement (“**Dealer Agreement**”) for the Programme. Dealers may also be appointed for a particular Tranche.

Unless otherwise stated, a reference in this Information Memorandum to “the Dealers” is a reference to the then current dealers to the Programme or to the dealers to a particular Tranche, as the case may be.

Registrar: Austraclear Services Limited (ABN 28 003 284 419)

Status: The status of the Instruments is as set out in Condition 4 (Status).

Each of the Notes (other than Subordinated Notes) and TDs will be direct, unsecured and general obligations of the Issuer and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, other than obligations mandatorily preferred by law (including, without limitation, amounts given priority under the Banking Act 1959 of Australia (the “**Banking Act**”) (which include the Issuer’s liabilities in respect of “protected accounts”, as defined in the Banking Act) and the Reserve Bank Act 1959 of Australia (the “**Reserve Bank Act**”)).

The Subordinated Notes will be direct, unsecured and subordinated obligations of the Issuer and will rank:

- (i) equally among themselves;
- (ii) behind all claims of Senior Creditors;
- (iii) equally with creditors whose claims against the Issuer rank or are expressed to rank equally with the Subordinated Noteholders’

claims for amounts owing by the Issuer in connection with the Subordinated Notes; and

- (iv) ahead of all claims expressed to rank behind the Subordinated Noteholders' claims for amounts owing by the Issuer in connection with the Subordinated Notes.

In a Winding Up, the Subordinated Notes (that have not been Converted or Written-Off) rank ahead of Ordinary Shares and other Junior Ranking Capital Instruments and equally among themselves and other Equal Ranking Instruments, but behind the claims of Senior Creditors including depositors and all holders of the Issuer's senior or less subordinated debt. If Conversion occurs, Subordinated Noteholders will become holders of Ordinary Shares and, in a Winding Up of the Issuer, will rank equally with all other holders of Ordinary Shares.

The Issuer does not make any representation as to whether the Senior Notes or the TD's constitute deposit liabilities in Australia or protected accounts for the purpose of, or otherwise benefit from a priority under the Banking Act or the Reserve Bank Act.

The Subordinated Notes do not constitute deposit liabilities or protected accounts in Australia for the purposes of, or otherwise benefit from a priority under, the Banking Act or the Reserve Bank Act."

- Governing law:** The Instruments and all related documentation will be governed by the laws of Victoria, other than the Agency and Registry Services Agreement with the Registrar, which is governed by the laws of New South Wales.
- Use of proceeds:** The net proceeds of any issue of Instruments will be used by the Issuer for general financing purposes.
- Term:** The term of the Programme continues until terminated by the Issuer giving 30 days' notice to the current Dealers to the Programme, or earlier by agreement between the Issuer and the current Dealers to the Programme.
- Currency:** Instruments may be issued in Australian dollars or any other currency specified in a Pricing Supplement. Subordinated Notes may only be issued in Australian Dollars.
- Stamp duty:** Any stamp duty incurred at the time of issue of the Instruments will be for the account of the Issuer. Any stamp duty incurred on a transfer of Instruments will be for the account of the relevant investors. As at the date of this Information Memorandum, no Australian stamp duty is payable on the issue of the Instruments or any transfer of Instruments for full market value through the Austraclear System.
- Taxes:** Investors should obtain their own taxation advice regarding the taxation status of investing in Instruments.
- TFNs and ABNs:** The Issuer may be required under Australian taxation laws to deduct (and, if so required, the Registrar on behalf of the Issuer will deduct) amounts from payments in respect of an Instrument at the prescribed rate (currently

47%) if an Australian resident investor or a non-resident investor that holds an Instrument in connection with activities in Australia has not supplied an appropriate tax file number, Australian business number or exemption details as may be necessary to enable the payment to be made without the required withholding or deduction.

Withholding tax:

All payments in respect of Instruments are subject in all cases to applicable provisions of fiscal and other laws, regulation and directives (“**Relevant Laws**”). If the Issuer or the Registrar making payments on its behalf is obliged by any Relevant Law to deduct or withhold any amounts from the payment otherwise due to the holder of an Instrument, it will do so.

Unless otherwise specified in the Pricing Supplement, Instruments will be issued in a manner which enables the Issuer to pay interest to holders free of Australian interest withholding tax. Unless otherwise specified in the Pricing Supplement, all payments by the Issuer in respect of the Instruments will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision thereof or any authority therein or thereof subject to certain customary exceptions as provided under Condition 9.6 below.

See “Australian Taxation” below for a description of relevant Australian tax legislation.

Rating:

As at the date of this Information Memorandum, the Issuer has a senior long term credit rating of BBB+ from Standard & Poor’s, a division of The McGraw-Hill Companies (“**S&P**”), A3 from Moody’s Investors Service Pty Limited (“**Moody’s**”) and A- from Fitch Ratings Agency (“**Fitch**”) and a short term credit rating of A-2 from S&P, P-2 from Moody’s and F2 from Fitch.

A credit rating is not a recommendation to buy, sell or hold securities and is subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Title:

Entry of the name of a person in the Register in respect of an Instrument constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered owner of the Instrument.

Denominations:

Instruments will be issued in denominations of A\$10,000 or such other amount specified in the relevant Pricing Supplement.

Transfer procedure:

Instruments may only be transferred in whole.

Unless otherwise specified in a Pricing Supplement, the minimum aggregate consideration payable on each transfer of Instruments within Australia must be not less than A\$500,000 (or equivalent in an alternate currency) (disregarding moneys lent by the transferor or its associates to the transferee) or the transfer must be in a manner which does not require

disclosure to be made to investors under Part 6D.2 and Part 7 of the Corporations Act.

Instruments entered in the Austraclear System will be transferred only in accordance with the Austraclear Regulations.

If Instruments are not entered in or are removed from the Austraclear System, application for the transfer of Instruments must be made by lodgement of a duly completed transfer and acceptance form with the Registrar. Transfer and acceptance forms are obtainable from the Registrar. A transfer takes effect upon the transferee's name being entered on the Register.

Transfers of Instruments outside Australia must be made by lodgment of a duly completed transfer and acceptance form with the Registrar and in compliance with the laws of any jurisdiction in which such transfer takes place.

Transfers of Instruments will not be registered on the Register later than eight days prior to the Record Date for the Instruments.

Redemption:

If so specified in the relevant Pricing Supplement, Instruments entered in the Austraclear System will be redeemed at maturity through Austraclear in a manner consistent with the Austraclear Regulations or, where the Instruments are not entered in or have been removed from the Austraclear System, by payment by electronic transfer or cheque made in accordance with the Terms and Conditions.

Redemption for taxation reasons:

If so specified in the relevant Pricing Supplement, Instruments may also be redeemed following the occurrence of changes in tax law which:

- (i) give rise to an obligation of the Issuer to gross-up for deductions or withholdings required to be made by law; or
- (ii) has the effect that interest payable on the Notes is not or may not be allowed as a deduction for the purposes of Australian income tax .

Redemption for regulatory reasons:

Any Series of Subordinated Notes may be redeemed following the occurrence of a Regulatory Event, unless that Regulatory Event was expected or could reasonably have been anticipated by the Issuer on the Issue Date.

Broadly speaking, a Regulatory Event occurs if:

- (i) additional requirements are imposed on the Issuer and its Subsidiaries taken as a whole in relation to the Subordinated Notes;
- (ii) there is a negative impact on the eligibility of the Subordinated Notes as Tier 2 Capital instruments; or
- (iii) all or some Subordinated Notes are not or will not be treated as

	Tier 2 Capital Instruments,
	which the Issuer determines to be unacceptable.
Redemption of Subordinated Notes:	<p>Any right to redeem or repurchase Subordinated Notes is subject to:</p> <ul style="list-style-type: none"> (i) Conditions 4, 6.1, 6.2, 6.3, 6.4, 6.7, 6.8, 6.9 and 8 of the relevant Terms and Conditions; (ii) the Pricing Supplement specifying that the relevant redemption provisions are applicable; and (iii) the Issuer obtaining the prior written approval of APRA for such redemption or repurchase.
No set-off	As set out in Condition 4.5(d), neither the Issuer nor the Subordinated Noteholder will have a right to set-off any amounts owing between them in respect of the Subordinated Notes on any account.
Mandatory Conversion or Write Off:	<p>It is a requirement under APRA’s prudential standards, which came into effect on 1 January 2013, that any term subordinated debt, in order to be eligible for inclusion as regulatory capital, contain provisions for conversion or write-off in the event of non-viability.</p> <p>Subordinated Notes issued by the Issuer are subject to mandatory conversion into ordinary shares in the capital of the Issuer (“Ordinary Shares”) or write-off if a Non- Viability Trigger Event occurs.</p>
Non Viability Trigger Event	<p>A Non-Viability Trigger Event occurs when APRA has provided a written determination (Non-Viability Determination) to the Issuer that:</p> <ul style="list-style-type: none"> (i) the conversion or write-off of some or all Relevant Capital Instruments of the Issuer is necessary because without the conversion or write-off APRA considers that the Issuer would become non-viable; or (ii) without a public sector injection of capital, or equivalent support, APRA determines that the Issuer will become non-viable (in which case the conversion or write off of all of the Relevant Capital Instruments of the Issuer will be automatically required). <p>On the date on which a Non-Viability Trigger Event occurs (the “Conversion Date”), where the requirements of the APRA determination are not satisfied by the conversion or write-off of relevant tier 1 capital instruments of the Issuer, or all Relevant Capital Instruments are required to be converted or written off per a determination under paragraph (i) or (ii) above, the Issuer will be required:</p> <ul style="list-style-type: none"> (i) to convert immediately and irrevocably the nominal amount of all or some of the Subordinated Notes into Ordinary Shares; or (ii) alternatively, <ul style="list-style-type: none"> (A) if the Issuer is prevented by applicable law, order or any other

reason, from Converting the Subordinated Notes into Ordinary Shares, or if for any other reason Conversion does not occur, within 5 Business Days of the Conversion Date; or

(B) if “Write Off – applicable” is specified in the applicable Pricing Supplement;

to write off and immediately and irrevocably terminate all or some of the nominal amount of the Subordinated Notes (including all rights under the Subordinated Notes), with any such write off to be taken as having effect on and from the Conversion Date.

The prudential standards do not define non-viability and APRA has not provided any guidance on how it would determine non-viability. Non-viability could be expected to include a serious impairment of the Issuer’s financial position. However, it is possible that APRA’s view of non-viability may not be confined to solvency or capital measures and APRA’s position on these matters may change over time. Non-viability may be significantly impacted by a number of factors, including factors which impact the business, operation and financial condition of the Issuer, such as systemic and non-systemic macro-economic, environmental and operational factors.

A Non-Viability Trigger Event could occur at any time. It could occur on dates not previously contemplated by investors or which may be unfavourable in light of then prevailing market conditions or investors’ individual circumstances or timing preferences.

If a Non-Viability Trigger Event occurs and Subordinated Notes are converted into Ordinary Shares, investors are obliged to accept the shares even if they do not at the time consider such shares to be an appropriate investment for them at the time and despite any change in the financial position of the Issuer since the issue of the Subordinated Notes or any disruption to the market for those shares or to capital markets generally or any breach by the Issuer of any obligation in connection with the Subordinated Notes. Investors have no right to elect to have Subordinated Notes written off instead of converted (subject to the applicable Pricing Supplement).

Conversion Mechanics The number of Ordinary Shares that an investor will receive on conversion is calculated in accordance with a formula which provides for a calculation based on a discounted five business day volume weighted average price (“**VWAP**”) (or other period specified in the applicable Pricing Supplement) but cannot be greater than a maximum conversion number based on 20 per cent. of the VWAP during the period of 20 business days (or other period specified in the applicable Pricing Supplement) preceding the issue date of the relevant Subordinated Notes (the “**Issue Date VWAP**”). The Issue Date VWAP is adjusted for only limited corporate actions of the Issuer, namely bonus issues, divisions and similar transactions. Accordingly, this may result in an investor in Subordinated Notes receiving on conversion Ordinary Shares worth significantly less than the nominal amount of the investor’s Subordinated Notes.

To enable the Issuer to issue Ordinary Shares to an investor on conversion, investors need to have appropriate securities accounts in Australia for the receipt of Ordinary Shares and to provide to the Issuer, no later than the Conversion Date, their name and address and certain security holder account and other details. Investors should understand that a failure to provide this information to the Issuer on time may result in the Issuer issuing the Ordinary Shares to a nominee which will sell the Ordinary Shares and pay the net proceeds to the investors. In this situation, investors will have no further rights against the Issuer in relation to the conversion.

Considerations in relation to Mandatory Conversion and Write-off.

Investors should consult with their own legal, tax and other professional investment advisors concerning the implications of investing and holding Subordinated Notes which are subject to mandatory conversion into ordinary shares in the capital of the Issuer or write off in the event of a Non Viability Trigger Event (as defined in the Conditions) occurs. The considerations set out below may not be exhaustive.

There may be no market in Ordinary Shares received on conversion and investors may not be able to sell the Ordinary Shares at a price equal to the value of their investment and as a result may suffer loss. The sale of Ordinary Shares in the Issuer may also be restricted by applicable Australian law, including restrictions under the Corporations Act on the sale of Ordinary Shares to investors within 12 months of their issue (except where certain exemptions apply) on account of the Subordinated Notes and the Ordinary Shares being issued without disclosure by the Issuer as required by the Corporations Act. The restrictions may apply to sales by any nominee for investors as well as sales by investors and by restricting sales investors may suffer loss.

Investors should also understand that if the Issuer is required to convert a nominal amount of Subordinated Notes but is prevented from doing so by applicable law, court order, government action or for any other reason, or for any other reason Conversion does not occur, and the conversion is not effected within five business days after the Conversion Date, the conversion will not occur and the rights of investors in relation to those Subordinated Notes (including all rights under the Subordinated Notes) will be written off and immediately and irrevocably terminated. In this situation also, investors will lose some or all of the value of their investment and will not receive any compensation.

The rules and regulations of ASX in certain circumstances limit the Issuer's ability, without shareholder approval, to issue Ordinary Shares and other equity securities (which may include convertible notes) without the approval of holders of Ordinary Shares. If the issue or conversion of Subordinated Notes would contravene that limit, then the Issuer may be prevented from converting Subordinated Notes and such Notes may be required to be written off.

There are provisions of Australian law that are relevant to the ability of any person to acquire interests in the Issuer beyond the limits prescribed by those laws.

Noteholders should take care to ensure that by acquiring any Subordinated

Notes which provide for such Notes to be converted to Ordinary Shares as provided in Condition 8 (taking into account any Ordinary Shares into which they may Convert), Noteholders do not breach any applicable restrictions on the ownership of interests in the Issuer. If the acquisition or conversion of such Notes by the Noteholder or a nominee would breach those restrictions the Issuer may be prevented from converting such Notes and where conversion is required under Condition 8 such Notes may be required to be written off.

Alternatively, if the applicable Pricing Supplement specifies that Subordinated Notes are to be written off upon a Non-Viability Trigger Event, upon the occurrence of a Non-Viability Trigger Event, investors will lose some or all of the value of their investment and will not receive any compensation.

The requirement for conversion or write-off on account of a Non-Viability Trigger Event does not apply to the Issuer's existing subordinated debt and accordingly the holders of Subordinated Notes issued under this Information Memorandum are likely to be in a worse position in the event of the Issuer becoming non-viable than holders of the Issuer's existing subordinated debt.

Payments:

Payments of principal and interest under Instruments entered in the Austraclear System will be made in accordance with the Austraclear Regulations. If the Instruments are not entered in or are removed from the Austraclear System, payments will be made to the persons whose names are entered in the Register to an account in Australia previously notified to the Issuer and the Registrar.

If the registered owner of the Instrument has not notified such an account by the relevant time, payment will be made by cheque (drawn on a bank in Australia in favour of the registered owner (or to the first named if joint registered owners)) and mailed to the registered owner (or to the first named if joint registered owners) of such Instrument.

Listing:

Application may be made for one or more Tranches of Instruments to be listed on the Australian Stock Exchange.

Selling restrictions: The offering, sale and delivery of Instruments and the distribution of this Information Memorandum and other material in relation to any Instruments are subject to such restrictions as may apply in any country in connection with the offering and sale of a particular Tranche of Instruments. In particular, and without limitation, restrictions on the offer or sale of the Instruments in Australia and on the offer or sale of Instruments in the United Kingdom, the United States of America, Japan, Singapore and Hong Kong are set out in "Selling Restrictions" below.

A. Short Term Instrument Summary

- Form:** Short Term Instruments will take the form of either TDs or Notes (other than Subordinated Notes). They will be constituted either by the acceptance of the amount deposited on the terms and conditions of the TD Deed Poll (“**TD Deed Poll**”) in the case of TDs, or by the Note Deed Poll (“**Note Deed Poll**”) in the case of Notes. They will take the form of entries on a register (“**Register**”) maintained by the Registrar. No certificate or other evidence of title will be issued. There is no trustee for the holders of Short Term Instruments.
- Austraclear:** The Issuer will apply to Austraclear Limited (“**Austraclear**”) for approval of the Short Term Instruments of each Series to be traded on the settlement system operated by Austraclear (“**Austraclear System**”). Such approval of Short Term Instruments by Austraclear is not a recommendation or endorsement by Austraclear of the Short Term Instruments.
- Tenor:** Short Term Instruments will be issued with a minimum tenor of seven days and a maximum tenor of 364 days.
- Purchase price:** The purchase price for Short Term Instruments will be the amount agreed between the Issuer and the Dealer purchasing the Short Term Instruments, as specified in the relevant Pricing Supplement.
- Interest:** Short Term Instruments may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate.
- Interest payment dates:** Interest (if any) payable on Short Term Instruments is payable on the date or dates specified in the relevant Pricing Supplement.

B. Term Instrument Summary

- Form:** Term Instruments will take the form of either TDs or Notes. They will be constituted either by the acceptance of the amount deposited on the terms and conditions of the TD Deed Poll (“**TD Deed Poll**”) in the case of TDs or by the Note Deed Poll (“**Note Deed Poll**”) in the case of Notes. They will take the form of entries on a register (“**Register**”) maintained by the Registrar. No certificate or other evidence of title will be issued. The Term Instruments of any Series may be described as “Notes”, “Subordinated Notes” “Bonds”, “Instruments”, “Transferable Deposits”, “TDs” or by any other marketing name specified in the relevant Pricing Supplement. There is no trustee for the holders of Term Instruments.
- Issuance in Series:** Term Instruments will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Term Instruments of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches of a Series and a Tranche or Series may comprise Term Instruments in more than one denomination.
- Austraclear:** The Issuer will apply to Austraclear Limited (“**Austraclear**”) for approval of the Term Instruments of each Series to be traded on the settlement system operated by Austraclear (“**Austraclear System**”). Such approval of Term Instruments by Austraclear is not a recommendation or endorsement by Austraclear of the Term Instruments.
- Tenor:** Term Instruments will be issued with a tenor as specified in the relevant Pricing Supplement, but not less than 365 days.
- Purchase price:** The purchase price for Term Instruments will be the amount agreed between the Issuer and the Dealer purchasing the Term Instruments, as specified in the relevant Pricing Supplement.
- Interest:** Term Instruments may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate.
- Interest payment dates:** Interest (if any) payable on Term Instruments is payable on the date or dates specified in the relevant Pricing Supplement.

Terms and Conditions of Notes

The following are the Terms and Conditions of the Notes which, as supplemented, modified or replaced in relation to any Notes by the relevant Pricing Supplement, will be applicable to each Series of Notes.

Each Tranche will be the subject of a Pricing Supplement. References in the Terms and Conditions to a Pricing Supplement are references to the Pricing Supplement applicable to the relevant Tranche of Notes.

Each Noteholder and any person claiming through or under a Noteholder is deemed to have notice of and is bound by these Terms and Conditions, the Note Deed Poll, the Information Memorandum, and the relevant Pricing Supplement. Copies of each of these documents (to the extent they relate to a Tranche of Notes) are available for inspection by the holder of any Note of such Tranche at the offices of the Issuer, at its address specified in the Information Memorandum.

1. Interpretation

Definitions

- 1.1 The following words have these meanings in these terms and conditions unless the contrary intention appears:

Additional Tier 1 Capital means a share, note or other security or instrument constituting Additional Tier 1 Capital (as defined by APRA from time to time).

ADI means an authorised deposit-taking institution, meaning a body corporate authorised under section 9 of the Banking Act 1959, to carry on banking business in Australia.

Administrative Action means any judicial decision, official administrative pronouncement or action, published or private ruling, interpretative decision, regulatory procedure or policy, application or a regulatory procedure or policy and any notice or announcement (including any notice or announcement of intent to adopt or make any of those things).

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

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

- (a) the Purchase Price specified in the Pricing Supplement; and
- (b) the product of the Amortisation Yield specified in the Pricing Supplement (compounded annually) being applied to the Purchase 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 upon which the Note becomes due and repayable.

Where such 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 shall be made on the basis of the Day Count Fraction specified in the Pricing Supplement.

Applicable Business Day Convention means the Business Day Convention specified in the Pricing Supplement as applicable to any date in respect of the Note or, if none is specified, the Applicable Business Day Convention for such purpose is the Following Business Day Convention. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates and any other date or dates in respect of any Notes.

APRA means the Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of the Issuer.

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

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.

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

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

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

Australian Dollars and **A\$** means the lawful currency of Australia.

Australian Dollar Equivalent means for an amount denominated in an Alternate Currency, the Australian Dollar Equivalent of that amount determined on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of the

relevant Alternate Currency in the Sydney foreign exchange market quoted by any leading bank selected by the Issuer on the relevant calculation date. The calculation date is, at the discretion of the Issuer, either the date of the relevant Pricing Supplement for such Notes or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney.

Business Day means:

- (a) a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general banking business in the place specified in the Pricing Supplement, or, if no such place is specified, Melbourne, Sydney and Adelaide; and
- (b) if a Note is to be issued or paid on such Business Day, a day on which commercial banks settle payments in the relevant currency in Melbourne, Sydney and Adelaide and a day on which the Austraclear System is operating.

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 Pricing Supplement in relation to any date applicable to any Note, have the following meanings:

- (a) Floating Rate Convention means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
 - (i) such date is brought forward to the first preceding day that is a Business Day; and
 - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) Following Business Day Convention means that the date is postponed to the first following day that is a Business Day;
- (c) Modified Following Business Day Convention or Modified Business Day Convention means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day; and
- (d) Preceding Business Day Convention means that the date is brought forward to the first preceding day that is a Business Day.

Calculation Agent means, in respect of a Tranche, the person (if any) specified as such in the relevant Pricing Supplement. The Calculation Agent must be the same for all Notes

in a Series.

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

Common Equity Tier 1 Capital means a share, note or other security or instrument constituting Common Equity Tier 1 Capital (as defined by APRA from time to time).

Condition means the correspondingly numbered condition in these Terms and Conditions.

Conversion has the meaning given to it in Condition 8.2(c), and "**Convert**" and "**Converted**" have their corresponding grammatical meanings.

Conversion Date has the meaning given to it in Condition 8.2(b).

Corporations Act means the Corporations Act 2001 of Australia.

Costs includes costs, charges and expenses, including those incurred in connection with advisers.

Day Count Fraction means, in respect of the calculation of an amount for any period of time (Calculation Period), the day count fraction specified in the Pricing Supplement and:

- (a) if **Actual/365** or **Actual/Actual** 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 the portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in the portion of the Calculation Period falling in a non-leap year divided by 365;
- (b) if **Actual/365 (fixed)** is so specified, the actual number of days in the Calculation Period divided by 365;
- (c) if **Actual/360** is specified, means the actual number of days in the Calculation Period divided by 360;
- (d) if **30E/360** or **Eurobond Basis** is 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 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be

considered to be lengthened to a 30-day month); and

- (e) if Australian Bond Basis is specified, one divided by the number of Interest Payment Dates in a year.

Denomination means the notional face value of a Note as specified in the relevant Pricing Supplement, provided that in the case of Subordinated Notes the notional face value of a Note will be A\$10,000.

Directors means the board of directors of the Issuer or any committee authorised by the board.

Early Redemption Date means the date specified for early redemption in accordance with Condition 6.3, 6.4, 6.5 or 6.7 (as applicable).

Early Termination Amount means in relation to a Note, the Outstanding Principal Amount or, if the Note is non interest bearing, the Amortised Face Amount or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement.

Equal Ranking Instruments means instruments which satisfy the requirements set out in one of the following paragraphs:

- (a) any instruments, present and future, issued by the Issuer after 1 January 2013 which:
- (i) by their terms are, or are expressed to be, subordinated in a Winding Up to the claims of Senior Creditors;
 - (ii) qualify as Tier 2 Capital of the Issuer; and
 - (iii) in a Winding Up rank or are expressed to rank prior to, and senior in right of payment to, instruments which constitute Additional Tier 1 Capital or Common Equity Tier 1 Capital of the Issuer (or, in the case of any instruments issued prior to 1 January 2013, were treated as constituting Tier 1 Capital in accordance with the prudential standards and guidelines of APRA which applied to the Issuer prior to 1 January 2013 irrespective of whether or not such instruments are treated as constituting Tier 1 Capital in accordance with any transitional arrangements approved by APRA);
- (b) the floating rate capital notes issued by the Issuer under a prospectus dated 13 July 1998; or
- (c) any other instruments, present and future, issued by the Issuer where the right to repayment ranks, or is expressed to rank, in a Winding Up equally with the claims of Subordinated Noteholders (irrespective of whether or not such instruments qualify as Tier 2 Capital of the Issuer).

Event of Default in relation to:

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- (a) a Senior Note has the meaning given to it in Condition 7.1; and
 - (b) a Subordinated Note has the meaning given to it in Condition 7.4.

External Administrator means, in respect of a person:

- (a) a liquidator, provisional liquidator, an administrator or a statutory manager of that person; or
- (b) a receiver, or a receiver and manager.

Extraordinary Resolution has the same meaning as in the Meetings Provisions.

FATCA means the Foreign Account Tax Compliance Act provisions, sections 1471 to 1474 of the United States Internal Revenue Code (including any regulations or official interpretations issued, agreements entered into or non-US laws enacted with respect to those provisions).

Final Broken Amount has the meaning given to it in the Pricing Supplement.

Financial Arrangement includes a currency swap, an interest rate swap, a forward exchange rate agreement, a forward interest rate agreement or a futures contract or futures option (each within the meaning of section 9 of the Corporations Act) or any other option agreement or combination of the above or any similar arrangement.

Financial Indebtedness means, in respect of any person, any indebtedness, present or future, actual or contingent of that person in respect of moneys borrowed or raised or any financial accommodation or Financial Arrangement whatsoever including (without limitation):

- (a) under or in respect of any Guarantee, bill, acceptance or endorsement or any discounting arrangement;
- (b) in respect of any obligation to pay par value, premium and dividend (whether or not declared, and whether or not there are sufficient profits or other moneys for payment) of any redeemable share or stock issued by that person or to purchase any share or stock issued by that person which is the subject of a put option against that person;
- (c) in respect of any Lease which under current accounting practice would be required to be capitalised on the balance sheet of the lessee;
- (d) the deferred purchase price (for more than 90 days) of any asset or service and any related obligation; and
- (e) in respect of any obligation to deliver goods or services which are paid for in advance by a financier or which are paid for in advance in relation to any financing transaction.

Foreign Holder has the meaning given to it in Condition 8.2(i)(ii).

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

Guarantee means any guarantee, indemnity, letter of credit, suretyship or any other obligation (whatever called and of whatever nature):

- (a) to pay or to purchase; or
- (b) to provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets, rights or services, or otherwise) for the payment or discharge of; or
- (c) to indemnify against the consequences of default in the payment of; or
- (d) otherwise to be responsible for,

any obligation or indebtedness, any dividend, capital or premium on shares or stock or the insolvency or the financial condition of any other person.

Inability Event has the meaning given to it in Condition 8.2(e).

Information Memorandum means at any time the Information Memorandum (and any supplement to it) (whether in printed or electronic form) prepared on behalf of, and approved in writing by, the Issuer in connection with the issue of Notes and TDs, all documents incorporated by reference in it and such other information (including in the case of a Tranche of Notes or TDs, as the case may be, a Pricing Supplement) approved in writing by the Issuer from time to time.

Initial Broken Amount has the meaning given to it in the Pricing Supplement.

Instrument means a TD or a Note.

Interest Accrual Period means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided that the first Interest Accrual Period commences on and includes the Interest Commencement Date

and the final Interest Accrual Period ends on but excludes the Maturity Date.

Interest Commencement Date means the Issue Date or such other date as may be specified as such in the Pricing Supplement.

Interest Payment Date means the date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement and adjusted, if necessary, in accordance with the Applicable Business Day Convention.

Interest Period means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided that the first Interest Period commences on and includes the Interest Commencement Date and the final Interest Period ends on but excludes the Maturity Date.

Interest Period End Date means the dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement as adjusted, if necessary, in accordance with the Applicable Business Day Convention or, if no date or dates are specified in the Pricing Supplement, means the dates which correspond with the Interest Payment Dates in respect of the Notes.

Interest Rate means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Notes specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement and in the case of Floating Rate Notes, the rate determined in accordance with Condition 5.3.

Issue Date means the day on which any Note is or is to be issued as specified in or determined in accordance with the provisions of the Pricing Supplement.

Issuer means Bendigo and Adelaide Bank Limited (ABN 11 068 049 178).

Junior Ranking Capital Instruments means instruments, present and future, issued by the Issuer which:

- (a) by their terms are, or are expressed to be, subordinated in a Winding Up to the claims of Subordinated Noteholders and Equal Ranking Instruments; and
- (b) qualify as Additional Tier 1 Capital or Common Equity Tier 1 Capital of the Issuer as described in the prudential standards and guidelines of APRA or, in the case of any instruments issued prior to 1 January 2013, were treated as constituting Tier 1 Capital in accordance with the prudential standards and guidelines of APRA which applied to the Issuer prior to 1 January 2013 irrespective of whether or not such instruments are treated as constituting Tier 1 Capital in accordance with any transitional arrangements approved by APRA.

Lease means:

- (a) any lease, charter or hiring arrangement of any property;

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- (b) any other agreement under which any property is or may be used or operated by a person other than the owner; and
 - (c) any agreement under which any property is or may be managed or operated for or on behalf of the owner or another person by a person other than the owner, and the operator or manager or its related body corporate (as defined in section 9 of the Corporations Act) (whether in the same or another agreement) is required to make or assure minimum, fixed and/or floating rate payments of a periodic nature,

(other than agreements under which the manager of a joint venture uses assets owned by the joint venture on behalf of the joint venture).

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

Maturity Date means the date for redemption of a Note or, in the case of an amortising Note, the date on which the last instalment of principal is payable, in each case, as specified in the Pricing Supplement.

Maturity Redemption Amount means in relation to a Note, the Outstanding Principal Amount or such other redemption amount as may be specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

Maximum Interest Rate means the Maximum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

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

Minimum Interest Rate means the Minimum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

Non-Viability Amount has the meaning given to it in Condition 8.2(a).

Non-Viability Determination has the meaning given to it in Condition 8.2(a).

Non-Viability Trigger Event has the meaning given to it in Condition 8.2(a).

Non-Viability Trigger Event Conversion Notice has the meaning given to it in Condition 8.2(f).

Note means a note being a debt obligation of the Issuer constituted by, and owing under, the Note Deed Poll to a Noteholder, the details of which are recorded in, and evidenced by, inscription in the Register.

Note Deed Poll means the deed poll (including these Terms and Conditions which form schedule 1 to the deed poll) originally dated 24 November 2000 as amended and restated from time to time.

Noteholder means a Senior Noteholder and/or a Subordinated Noteholder.

Ordinary Resolution has the same meaning as in the Meetings Provisions.

Ordinary Share means a fully paid ordinary share in the capital of the Issuer.

Outstanding means, on any date, Notes which have not been redeemed or satisfied in full (and in the case of Subordinated Notes, Converted or Written-Off) by the Issuer.

Outstanding Principal Amount means in respect of a Note which is Outstanding at any time, the Denomination of the Note less the aggregate of any part of the principal amount of that Note that has been paid or otherwise satisfied by the Issuer and for such purposes:

- (a) the premium of a Note issued or to be redeemed at a premium is to be taken to be added to the principal amount;
- (b) the principal amount of a Note issued at a discount is to be taken as at any time to equal its Denomination or, if provided for in its terms and conditions, its amortised principal amount at that time; and
- (c) the principal amount of a partly paid Note is to be taken to equal its outstanding principal amount.

Notwithstanding any other Condition, paragraphs (a), (b) and (c) above shall not apply to Subordinated Notes.

Payment Date means, in respect of a Note, an Interest Payment Date, the Maturity Date or other relevant payment date (including an early payment date).

Pricing Supplement means:

- (a) in the case of Term Instruments, a pricing supplement prepared and issued in relation to Term Instruments of a relevant Tranche or Series which has been confirmed in writing by the Issuer; or
- (b) in the case of Short Term Instruments, a confirmation of acceptance of an offer for Short Term Instruments confirmed in writing by the Issuer.

Purchase Price means:

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- (a) in respect of a Subordinated Note, the Nominal Amount (as defined in schedule 3, paragraph 1(a) of the Note Deed Poll); and
 - (b) in respect of any other Note, the purchase price so specified in the relevant Pricing Supplement.

Record Date means, in the case of payments of interest, 5:00pm (Sydney time) on the eighth calendar day before the relevant date for payment.

Register means a register, including any branch register, of Noteholders established and maintained by the Issuer in which is entered the names and addresses of Noteholders whose Notes are carried on that register, the amount of Notes held by each Noteholder and the Tranche, Series and date of issue and transfer of those Notes, and any other particulars which the Issuer sees fit.

Registrar means Austraclear Services Limited (ABN 28 003 284 419) or such other person appointed by the Issuer pursuant to the Registry Services Agreement to establish and maintain the Register on the Issuer's behalf from time to time.

Registry Services Agreement means the "Agency and Registry Services Agreement" dated 30 June 2009 between the Issuer and Austraclear Services Limited, or any replacement of it.

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

Related Entity means:

- (a) any entity controlled (whether directly or indirectly) by:
 - (i) an ADI; or
 - (ii) the ultimate parent of an ADI (including the parent entity itself);
- (b) other entities (and their subsidiaries) deemed by APRA to be a 'related entity' of an ADI; or
- (c) as otherwise defined 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 Date means the date on which a payment in respect of the Notes just becomes due, except that if the full amount payable has not been received by the Registrar on or before the due date, it means the date on which, the full amount

having been so received, notice to that effect is given to the Noteholders in accordance with Condition 12.

Relevant Subordinated Note has the meaning given to it in Schedule 3, paragraph 1 of the Note Deed Poll .

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.

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.

Resolution means an Extraordinary Resolution or Ordinary Resolution, as the context requires.

Security Interest includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind (including, without limitation, retention of title and any deposit of money by way of security), 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);and
- (c) any security or preferential interest or arrangement arising under or created pursuant to any right of set-off.

Senior Creditors means, in respect of the Issuer, all its present and future creditors (including depositors) whose claims:

- (a) would be entitled to be admitted in the Winding-Up of the Issuer; and
- (b) are not made as holders of indebtedness arising under:
 - (i) an Equal Ranking Instrument; or
 - (ii) a Junior Ranking Capital Instrument.

Senior Creditors include holders of any instruments issued by the Issuer prior to

1 January 2013 which constituted Lower Tier 2 Capital (as described in the standards set by APRA as in effect prior to 1 January 2013, irrespective of whether or not such instruments are treated as constituting Tier 2 Capital in accordance with any transitional arrangements approved by APRA.

Senior Note means a Term Instrument that is an unsubordinated obligation under Condition 4.2.

Senior Noteholder means a person whose name is for the time being entered in the Register as the holder of a Senior Note or, where a Senior Note is owned jointly by two or more persons, the persons whose names appear in the Register as the joint owners of that Senior Note and (for the avoidance of doubt) when a Senior Note is entered into the Austraclear System, includes Austraclear acting on behalf of a member of the Austraclear System.

Series means an issue of Notes made up of one or more Tranches all of which have identical terms, except that the Issue Date and the amount of the first payment of interest may be different in respect of different Tranches of a Series.

Short Term Instrument means a Note (other than a Senior Note or a Subordinated Note) which has a Tenor of not less than 7 days and not more than 364 days.

Subordinated Note means a Term Instrument that is subordinated under Condition 4.

Subordinated Noteholder means a person whose name is for the time being entered in the Register as a holder of a Subordinated Note or, where a Subordinated Note is owned jointly by two or more persons, the persons whose names appear in the Register as the joint owners of that Subordinated Note and (for the avoidance of doubt) when a Subordinated Note is entered into the Austraclear System, includes Austraclear acting on behalf of a member of the Austraclear System.

Subsidiary of an entity means another entity which is a subsidiary of the first within the meaning of part 1.2 division 6 of the Corporations Act or is a subsidiary of or otherwise controlled by the first within the meaning of any applicable approved accounting standard.

Tax Act means the Income Tax Assessment Act 1936 of Australia and where applicable, the Income Tax Assessment Act 1997 of Australia.

Taxes has the meaning given to that term in Condition 9.6.

TD means each transferable deposit obligation of the Issuer owing under the TD Deed Poll to a holder of the deposit obligation.

TD Deed Poll means the deed poll (including these Terms and Conditions which form schedule 1 to the deed poll) originally dated 24 November 2000 as amended and restated from time to time.

Tenor of a Note means the number of days from and including its Issue Date to, and excluding, its Maturity Date.

Term Instrument means a Note which will have a Tenor of not less than 365 days.

Tier 1 Capital means the Tier 1 Capital of the Issuer, as defined by APRA from time to time.

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

Tranche means an issue of Notes all of which are issued on the same Issue Date and the terms of which are identical in all respects.

Winding Up means:

- (a) a court order is made 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
- (b) an effective resolution is passed by shareholders or members for the winding-up of the Issuer.

Written-Off means in respect of a Note, the nominal amount of such Note is written off and the Note (including all rights under the Notes) is immediately and irrevocably terminated, and **'Write Off'** has its corresponding grammatical meaning.

Interpretation

1.2 In these terms and conditions unless the contrary intention appears:

- (a) a reference to these terms and conditions is a reference to these terms and conditions as modified, supplemented or replaced by the Pricing

Supplement;

- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) a reference to a document (including these Conditions) includes any variation or replacement of it;
- (d) the singular includes the plural and vice versa;
- (e) the word person includes a firm, body corporate, an unincorporated association or an authority;
- (f) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (g) a reference to any thing (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively and to each of them individually;
- (h) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (i) the meaning of terms is not limited by specific examples introduced by including, or for example, or similar expressions; and
- (j) a listing rule, business rule or market integrity rule of a financial market (as defined in the Corporations Act) will be regarded as a law.

Headings

- 1.3 Headings are inserted for convenience and do not affect the interpretation of these terms and conditions.

2. Form, denomination and title

Constitution under Note Deed Poll

- 2.1 The Notes are registered debt obligations of the Issuer constituted by, and owing under, the Note Deed Poll and take the form of entries in the Register. Each entry in the Register constitutes a separate and individual acknowledgment to the relevant Noteholder of the indebtedness of the Issuer to the relevant Noteholder.

Independent obligations

- 2.2 The obligations of the Issuer in respect of each Note constitute separate and independent obligations which the Noteholder to whom those obligations are owed is entitled to enforce without having to join any other Noteholder or any predecessor in title of a Noteholder.

Currency

- 2.3 Notes may be denominated in Australian Dollars or an Alternate Currency specified in the Pricing Supplement. Subordinated Notes may not be denominated in an Alternate Currency.

Denomination

- 2.4 Notes are issued in Denominations of A\$10,000 unless, in the case of Senior Notes, otherwise specified in the Pricing Supplement.

Register conclusive

- 2.5 Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the registered owner of the Note subject to rectification for fraud or error. No Note will be registered in the name of more than 4 persons. A Note registered in the name of more than one person is held by those persons as joint tenants. Notes will be registered by name only without reference to any trusteeship. The person registered in the Register as a Noteholder of a Note will be treated by the Issuer and the Registrar as absolute owner of that Note and neither the Issuer nor the Registrar is, except as ordered by a court or as required by statute, obliged to take notice of any other claim to a Note.

Holder absolutely entitled

- 2.6 Upon a person acquiring title to any Note by virtue of becoming registered as the owner of that Note, all rights and entitlements arising by virtue of the Note Deed Poll in respect of that Note vest absolutely in the registered owner of the Note, such that no person who has previously been registered as the owner of the Note has or is entitled to assert against the Issuer or the Registrar or the registered owner of the Note for the time being and from time to time any rights, benefits or entitlements in respect of the Note.

Location of Register

- 2.7 The Register will be established and maintained in New South Wales unless otherwise agreed by the Issuer and the Registrar.

Certificates

- 2.8 The Notes are issued in registered form. No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to a Note unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

Acknowledgment

- 2.9 Where the Austraclear System is recorded in the Register as the Noteholder, each person in whose account that Note is recorded is deemed to acknowledge in favour of the Registrar and Austraclear that:

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- (a) the Registrar's decision to act as the Registrar of the Note does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the Note but only indicates that such Note is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the Note; and
 - (b) the Noteholder does not rely on any fact, matter or circumstance contrary to Condition 2.9(a).

3. Transfers

Limit on transfer

- 3.1 (a) Notes may only be transferred in whole.
- (b) Unless otherwise specified in the Pricing Supplement, Notes may only be transferred if:
 - (i) the consideration payable at the time of transfer is a minimum amount of A\$500,000 (or Australian Dollar Equivalent) (disregarding any moneys lent by the transferor or its associates to the transferee) or the offer or invitation giving rise to the transfer otherwise does not require disclosure to be made to investors under Part 6D.2 and Part 7 of the Corporations Act; and
 - (ii) the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place.

Transfer procedures

- 3.2 Unless Notes are lodged in the Austraclear System, application for the transfer of Notes must be made by the lodgement of a transfer form with the Registrar. Transfer forms are available from the Registrar. Each transfer form must be duly completed, signed by both the transferor and transferee, and accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the Note.

Notes entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

Registration of transfer

- 3.4 The transferor of a Note is deemed to remain the holder of that Note until the name of the transferee is entered in the Register in respect of that Note. Transfers will not be registered later than eight calendar days prior to the Maturity Date.

No charge on transfer

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- 3.5 Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid.

Estates

- 3.6 A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

Unincorporated associations

- 3.7 A transfer to an unincorporated association is not permitted.

Transfer of unidentified Notes

- 3.8 Where the transferor executes a transfer of less than all Notes of the relevant Tranche or Series registered in its name, and the specific Notes to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the Notes of the relevant Tranche or Series registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the Notes registered as having been transferred equals the aggregate principal amount of the Notes expressed to be transferred in the transfer.

ASX

- 3.9 Notes which are listed on the ASX will not be transferred through, or registered on, CHESS and are not “Approved Financial Products” (as defined for the purposes of that system).

4. Status

Nature of obligations

- 4.1 The Notes (other than Short Term Instruments) may be issued as unsubordinated or subordinated debt obligations of the Issuer, as specified in the relevant Pricing Supplement. Short Term Instruments will be unsubordinated debt obligations of the Issuer.

Status – Senior Notes

- 4.2 The Notes (other than Subordinated Notes) are direct, unsubordinated and unsecured obligations of the Issuer and rank equally among themselves and at least equally with all other unsecured and unsubordinated obligations of the Issuer except liabilities mandatorily preferred by law.

The Notes (other than Subordinated Notes) rank senior to the Issuer’s subordinated obligations, including all Subordinated Notes.

The Issuer does not make any representation as to whether the Instruments constitute deposit liabilities in Australia or protected accounts for the purpose of, or otherwise benefit from a priority under the Banking Act 1959 or the Reserve Bank Act 1959.

Status - Subordinated Notes

- 4.3 The Subordinated Notes constitute direct, unsecured, subordinated obligations of the Issuer, and unless otherwise specified in the Pricing Supplement, rank:
- (a) equally among themselves;
 - (b) behind all claims of Senior Creditors;
 - (c) equally with creditors whose claims against the Issuer rank or are expressed to rank equally with the Subordinated Noteholders' claims for amounts owing by the Issuer in connection with the Subordinated Notes; and
 - (d) ahead of all claims expressed to rank behind the Subordinated Noteholders' claims for amounts owing by the Issuer in connection with the Subordinated Notes.

The Instruments do not constitute deposit liabilities in Australia or protected accounts for the purpose of, or otherwise benefit from a priority under the Banking Act 1959 or the Reserve Bank Act 1959.

Subordinated Notes

- 4.4 Each Subordinated Noteholder by its purchase of a Subordinated Note, is taken to acknowledge that the Issuer's obligations in respect of that Subordinated Note are subordinated to Senior Creditors, in the manner provided in this Condition 4.

Terms of subordination

- 4.5 Unless otherwise specified in the Pricing Supplement, the following provisions apply to Subordinated Notes:
- (a) in a Winding-Up of the Issuer:
 - (i) Subordinated Noteholders shall have no right or claim against the Issuer in respect of any principal, interest or Additional Amounts (as defined in Condition 9.6) in respect of a Subordinated Note to the extent that such Subordinated Note has been redeemed, Converted or Written-Off; and
 - (ii) the rights and claims of Subordinated Noteholders for an

amount owing by the Issuer in connection with a Subordinated Note that has not been redeemed, Converted or Written-Off:

- (A) are subordinated to, and rank junior in right of payment to, the claims of Senior Creditors and all claims of all Senior Creditors must be paid in full before the Subordinated Noteholder's claim is paid;
- (B) shall rank equally with the obligations of the Issuer to holders of other Subordinated Notes that have not been redeemed, Converted or Written-Off, and the obligations of the Issuer to holders of Equal Ranking Instruments; and
- (C) shall rank prior to, and senior in right of payment to, the obligations of the Issuer to the holders of Ordinary Shares and other Junior Ranking Capital Instruments,

provided that until the Senior Creditors have been paid in full, the Subordinated Noteholder 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.

In a Winding-Up of the Issuer, the Subordinated Noteholders shall only be entitled to prove for any sums payable in respect of their Subordinated Notes as a debt which is subject to prior payment in full of Senior Creditors. Subordinated Noteholders waive, to the fullest extent

permitted by law, any right to prove in any such Winding-Up as a creditor ranking for payment in any other manner;

- (b) prior to the commencement of the Winding Up of the Issuer (other than under or in connection with a scheme of amalgamation or reconstruction not involving bankruptcy or insolvency):
 - (i) the obligations of the Issuer to make payments of interest and any other payments including additional amounts in respect of the Subordinated Notes will be conditional on the Issuer being Solvent at the time of the payment; and
 - (ii) no payment of interest or any other payment including additional amounts in respect of the Subordinated Notes shall be made unless the Issuer is Solvent immediately after making the payment,

and if as a result the Issuer fails to make any payment of interest or any other payment of any other amount on any Subordinated Note

when due, such failure will not constitute an Event of Default for the purposes of Condition 7.4.

For the avoidance of doubt, any amount not paid due to Condition 4.5(b) accumulates and remains a debt owing to the Subordinated Noteholder by the Issuer until paid. Any interest that is payable on any principal amount not paid due to Condition 4.5(b) will accrue at the interest rate payable on the Subordinated Note that is specified in the applicable Pricing Supplement. Any interest not paid due to Condition 4.5(b) accumulates and remains a debt owing to the Subordinated Noteholder by the Issuer until paid.

A certificate signed by the Issuer, two authorised signatories or an auditor of the Issuer or, if the Issuer is being wound up, its liquidator as to whether the Issuer is Solvent at any time is (in the absence of wilful default, bad faith or manifest error) conclusive evidence of the information contained in the certificate and will be binding on the Subordinated Noteholders. In the absence of any such certificate, the Subordinated Noteholders are entitled to assume (unless the contrary is proved) that the Issuer is Solvent at the time of and will be Solvent immediately after, any payment.

Solvent means that each of the following is the case:

- (i) the Issuer is able to pay its debts as they fall due; and
 - (ii) its Assets (as that term is defined in Condition 7.5) exceed its Liabilities (as that term is defined in Condition 7.5);
- (c) there is no limit on the amount of debt or other obligations which rank equally or ahead of the Subordinated Notes that may be incurred or assumed by the Issuer;
- (d) (i) a Subordinated Noteholder does not have any right to set-off any amounts owing to it by the Issuer in respect of a Subordinated Note against any amount owing by that Subordinated Note holder to the Issuer on any account; and
- (ii) the Issuer does not have any right to set-off any amounts owing to it by a Subordinated Noteholder on any account against any amount owing by the Issuer to that Subordinated Noteholder in respect of a Subordinated Note;
- (e) Condition 6 (Redemption and purchase) is applicable to Subordinated Notes subject to:
- (i) this Condition 4;

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- (ii) where required, the Pricing Supplement specifying that the relevant provisions are applicable; and
 - (iii) the Issuer obtaining the prior written approval of APRA to the proposed purchase or redemption;
 - (f) each Subordinated Noteholder 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 4; and
 - (g) each Noteholder agrees that this Condition 4 is a debt subordination for the purposes of section 563C of the Corporations Act.

5. Interest

General

- 5.1 Notes may be either interest-bearing or (other than a Subordinated Note) non interest-bearing, as specified in the relevant Pricing Supplement. Interest-bearing Notes may bear interest at either a fixed rate or a floating rate. In relation to any Tranche of Notes, the relevant Pricing Supplement may specify actual amounts of interest payable (Interest Amounts) rather than, or in addition to, a rate or rates at which interest accrues.

The Pricing Supplement in relation to each Tranche of interest-bearing Notes will specify which of Conditions 5.2, 5.3 and 5.4 will be applicable to the Notes.

Condition 5.5 will be applicable to each Tranche of interest-bearing Notes save to the extent of any inconsistency with the relevant Pricing Supplement.

Interest - fixed rate

- 5.2 Each Note in relation to which this Condition 5.2 is specified in the relevant Pricing Supplement as being applicable (Fixed Rate Notes) will bear interest on its Outstanding Principal Amount at the fixed coupon rate or the fixed rate or rates per annum specified in the relevant Pricing Supplement from the Issue Date of the Notes. Interest will be payable in arrear on the Interest Payment Dates specified in the relevant Pricing Supplement.

Interest which is required to be calculated for a period of other than a full year will be calculated on such basis as is specified as the Day Count Fraction in the relevant Pricing Supplement.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount (as defined in the Pricing Supplement).

If the Maturity Date is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or the Interest

Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount (as defined in the Pricing Supplement).

5.3 *Interest - floating rate*

(a) *Accrual of interest*

Notes in relation to which this Condition 5.3 is specified in the relevant Pricing Supplement as being applicable (**Floating Rate Notes**) will bear interest in respect of each Interest Period at the rate or rates per annum determined in accordance with this Condition 5.3.

Each Floating Rate Note will bear interest on its Outstanding Principal Amount at the Interest Rate (as defined below) from the Interest Commencement Date.

Interest will be payable in arrear on each Interest Payment Date. If any Interest Payment Date in respect of a Floating Rate Note would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be determined in accordance with the Business Day Convention specified in the Pricing Supplement.

(b) *Interest Rate*

The Interest Rate payable in respect of Floating Rate Notes shall be determined by the Calculation Agent as specified in the relevant Pricing Supplement. Unless otherwise specified in the relevant Pricing Supplement, if in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with this Condition, the Interest Rate applicable in respect of the Floating Rate Notes

during that Interest Period will be the Interest Rate applicable to the Floating Rate Notes during the immediately preceding Interest Period.

(c) *Calculation of interest amount payable*

The Calculation Agent will, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of the Outstanding Principal Amount of each Note. The amount of interest payable will be calculated by multiplying the product of the Interest Rate for such Interest Period and the Outstanding Principal Amount by the applicable Day Count Fraction and rounding the resultant figure to the nearest cent (with halves being rounded upwards).

Interest - other rates

5.4 Notes in relation to which this Condition 5.4 is specified in the relevant Pricing Supplement as being applicable will bear interest at the rate or rates calculated on the basis specified in, and be payable in the amounts and in the manner determined in accordance with, the relevant Pricing Supplement.

5.5 *Interest - supplemental provisions*

(a) *Interest Payment Dates*

Interest on each Note will be payable in arrear at such intervals and on such Interest Payment Dates as are specified in the relevant Pricing Supplement and on the Maturity Date.

(b) *Notification of Interest Rate, interest payable and other items*

The Calculation Agent will cause each Interest Rate, the amount of interest payable and each other amount, item or date, as the case may be, determined or calculated by it to be notified to the Issuer, the Registrar and to be notified to Noteholders in accordance with Condition 12 as soon as practicable after such determination or calculation but in any event not later than the fourth Business Day thereafter. The Calculation Agent will be entitled to amend any such amount, item or date (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the previous sentence.

(c) *Determination final*

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it pursuant to these Conditions (including, without limitation, the Interest Rate for any Interest Period and the amount of interest payable for any Interest Period in respect of any Note) is, in the absence of manifest error, final and binding on the Issuer, each Noteholder, the Registrar, and the Calculation Agent.

(d) *Accrual of interest*

Interest accrues on the Outstanding Principal Amount of each Note or as otherwise indicated in the relevant Pricing Supplement. Interest ceases to accrue as from the due date for redemption of a Note unless the relevant payment is not made in which case interest will continue to accrue thereon (as well after as before any demand or judgement) at the rate then applicable to the Outstanding Principal Amount of the Note or such other default rate (if any) as may be specified in the relevant Pricing Supplement until the date on which the relevant payment is made or, if earlier, the seventh day after the date on which the Registrar receives the funds required to make such payment (provided that notice of such circumstance is given to the Noteholders in

accordance with Condition 12) except to the extent that there is failure in the subsequent payment thereof to the relevant Noteholders.

The Pricing Supplement for any Series of Subordinated Notes will state that no default rate of interest will apply to such Series of Subordinated Notes.

Zero Coupon Notes

- 5.6 If the amount due and payable in respect of a non-interest bearing Note (“**Zero Coupon Note**”) on the redemption date is not paid when due, the Interest Rate for any such overdue principal is a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified in the relevant Pricing Supplement.

This Condition 5.6 does not apply to Subordinated Notes, and Subordinated Notes will not be Zero Coupon Notes.

Calculations and adjustments

- 5.7 The amount of interest payable in respect of any Note for any period of less than one year is calculated by multiplying the product of the Interest Rate and the Outstanding Principal Amount by the Day Count Fraction, save that if the Pricing Supplement specifies an amount in respect of such period, the amount of interest payable in respect of such Note for such period is equal to such specified amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period is the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

If any Maximum Interest Rate or Minimum Interest Rate is specified in the Pricing Supplement, then the Interest Rate will not in any event exceed the maximum or be less than the minimum so specified. A Maximum Interest Rate or Minimum Interest Rate may not be specified in the Pricing Supplement as being applicable to Subordinated Notes.

For the purposes of any calculations referred to in these terms and conditions and unless otherwise specified in these terms and conditions or the Pricing Supplement:

- (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest fifth decimal place (with 0.000005% being rounded to 0.00001%); and
- (b) all Australian dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up).

Calculation Agent

5.8 As soon as practicable after the relevant time on such date as these terms and conditions or the Pricing Supplement may require:

- (a) any Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or any other amount to be calculated; or
- (b) any quote to be obtained or any determination or calculation to be made by the Calculation Agent,

the Calculation Agent will be required to:

- (c) determine the Interest Rate in respect of each Series of the Notes for the relevant Interest Accrual Period, Interest Period or Interest Payment Date;
- (d) calculate the Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or other amount; or
- (e) obtain such quote or make such determination or calculation,

and cause the Interest Rate for each Interest Accrual Period, Interest Period or Interest Payment Date and, if required to be calculated, any Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or other amount, to be notified to the Registrar and the Issuer as soon as possible after their determination but in no event later than 5.00pm on the Business Day on which such calculation is made.

The Calculation Agent must obtain relevant quotes from appropriate banks or reference agents or obtain information from such other sources as are specified in these terms and conditions or the Pricing Supplement or, failing which, as the Calculation Agent deems appropriate.

The calculations and determinations made by the Calculation Agent shall, in the absence of manifest error, be final and binding on the parties.

6. Redemption and purchase

Redemption on maturity

- 6.1 Unless previously redeemed, or purchased and cancelled (or, in the case of a Subordinated Note, Converted or Written-Off) or unless such Note is stated in the Pricing Supplement as having no fixed maturity date, each Note shall be redeemed on maturity at its Maturity Redemption Amount.

Purchase of Notes

- 6.2 The Issuer, any of its Subsidiaries or any Related Entity may at any time

purchase Notes in the open market or otherwise and at any price, and in respect of Subordinated Notes, subject to prior written approval having been obtained from APRA, and provided that such Subordinated Notes are not acquired by a Subsidiary of the Issuer or any Related Entity that is not a tax resident of Australia unless such Subordinated Notes are acquired by it as part of a business carried on by it through a permanent establishment located within Australia. All unmatured Notes purchased in accordance with this condition may be held, resold or cancelled at the discretion of the Issuer, subject to compliance with all legal and regulatory requirements.

Redemption for taxation reasons

6.3 If, in respect of the Notes of any Series, the Issuer determines (supported by an opinion as to such determination from tax advisers of recognised standing in Australia provided to the Registrar) that:

- (a) on the occasion of the next payment due in respect of the Notes, the Issuer would be required to make payment of any Additional Amount (as defined in Condition 9.6); or
- (b) prior to the Maturity Date that interest payable on the Notes is not or may not be allowed as a deduction for the purposes of Australian income tax,

in each case, by reason of an Administrative Action (other than an Administrative Action that was expected by the Issuer as at the Issue Date) (a "**Tax Event**"), then the Issuer may give not more than 60 nor less than 30 days' notice to the Registrar and the Noteholders in accordance with Condition 12, and upon expiry of such notice shall redeem all (but not some only) of the Notes at their early redemption amount applicable for tax redemptions ("**Early Redemption Amount (Tax)**") (which is their Outstanding Principal Amount or such other Early Redemption Amount (Tax) as is specified in the Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon.

Prior to publication of any such notice of redemption, the Issuer shall deliver to the Registrar a certificate signed by an authorised person of the Issuer showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of legal advisers of recognised standing to the Issuer in its jurisdiction of incorporation to the effect that the circumstances identified in conditions 6.3(a) or 6.3(b) apply or will apply following the applicable Administrative Action.

The Issuer's right to exercise the option to redeem Subordinated Notes in accordance with this Condition 6.3 is subject to:

- (c) APRA giving its prior written approval; and
- (d) either:
 - (i) before or concurrently with redemption, the Issuer replacing

the Subordinated Notes with a capital instrument which is of the same or better quality (for the purposes of the prudential standards and guidelines published by APRA and applicable to the Issuer from time to time) than the Subordinated Notes and the replacement of the Subordinated Notes is done under conditions that are sustainable for the income capacity of the Issuer, and the Issuer and its Subsidiaries taken as a whole; or

- (ii) the Issuer obtaining confirmation from APRA that APRA is satisfied, having regard to the capital position of the Issuer, and the Issuer and its Subsidiaries taken as a whole, that the Issuer does not have to replace the Subordinated Notes.

Early redemption at the option of the Issuer

- 6.4 If this Condition 6.4 is specified in the relevant Pricing Supplement as being applicable then the Issuer, having given at least the minimum period (if any) (but not more than the maximum period (if any)) of notice specified in the relevant Pricing Supplement to Noteholders in accordance with Condition 12 (which notice must comply with the following paragraph and shall be irrevocable) and subject to satisfaction of any relevant conditions specified in the relevant Pricing Supplement, may redeem all (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, some only) of the Notes on any Business Day (being, in the case of interest-bearing Notes (unless otherwise specified in the relevant Pricing Supplement), an Interest Payment Date) at their early redemption amount applicable for calls by the Issuer ("**Early Redemption Amount (Call)**") (which is their Outstanding Principal Amount or such other Early Redemption Amount (Call) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon.

The Issuer's right to exercise the option to redeem the Notes referred to in this Condition 6.4 in the case of Subordinated Notes, is subject to:

- (a) the date on which the Early Redemption Amount (Call) is payable by the Issuer is at least five years after the Issue Date of the Subordinated Notes;
- (b) APRA giving its prior written approval; and
- (c) either:
 - (i) before or concurrently with redemption, the Issuer replacing the Subordinated Notes with a capital instrument which is of the same or better quality (for the purposes of the prudential standards and guidelines published by APRA and applicable to the Issuer from time to time) than the Subordinated Notes and the replacement of the Subordinated Notes is done under

conditions that are sustainable for the income capacity of the Issuer, and the Issuer and its Subsidiaries taken as a whole; or

- (ii) the Issuer obtaining confirmation from APRA that APRA is satisfied, having regard to the capital position of the Issuer, and the Issuer and its Subsidiaries taken as a whole, that the Issuer does not have to replace the Subordinated Notes.

The notice referred to above shall specify:

- (d) the Series of Notes subject to redemption;
- (e) subject to the Pricing Supplement specifying that a partial redemption is permissible, whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes of the relevant Series which are to be redeemed;
- (f) the due date for redemption;
- (g) the Early Redemption Amount (Call) at which such Notes are to be redeemed; and
- (h) whether or not accrued interest is to be paid upon redemption and, if so, the amount thereof or the basis or method of calculation thereof, all as provided in the relevant Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed will be selected by the Registrar, and notice of the Notes selected for redemption will be given in accordance with Condition 12 not less than 15 days prior to the date fixed for redemption.

Redemption at the option of Noteholders

- 6.5 If this Condition 6.5 is specified in the relevant Pricing Supplement as being applicable then, at the option of the Noteholder and provided that any conditions to the exercise of such option as are specified in the relevant Pricing Supplement have been satisfied, the Issuer will redeem the Note on any day (being, in the case of an interest-bearing Note (unless otherwise specified in the relevant Pricing Supplement) an Interest Payment Date) at its early redemption amount applicable for puts ("**Early Redemption Amount (Put)**") (which is its Outstanding Principal Amount or such other Early Redemption Amount (Put) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon.

To exercise such option, the Noteholder must complete, sign and deliver to the specified office of the Registrar not less than 45 days before the

redemption date (or such other period as may be specified in the relevant Pricing Supplement), a redemption notice (in the form obtainable from the Registrar) together with the relevant extract for the Notes.

This Condition 6.5 does not apply to any Subordinated Notes.

Zero Coupon Notes

- 6.6 In the case of a Zero Coupon Note (unless otherwise specified in the Pricing Supplement), the Early Termination Amount is the Amortised Face Amount or such other amount specified in the Pricing Supplement.

This Condition 6.6 does not apply to any Subordinated Notes.

Early redemption for regulatory reasons

- 6.7 In respect of any Series of Subordinated Notes, the Issuer may redeem all (but not some only) of the Subordinated Notes for their Outstanding Principal Amount, together with accrued interest (if any) on an Interest Payment Date in accordance with this Condition 6.7 and subject to Condition 4.5(b), if:

- (a) after the Issue Date, as a result of an Administrative Action or any amendment to, clarification of, or change (including any announcement of a change) in the law or an Administrative Action, in each case by a Government Agency and in each case, not expected by the Issuer as at the Issue Date:
- (i) additional requirements would be imposed on the Issuer and its Subsidiaries taken as a whole in relation to the Subordinated Notes; or
 - (ii) there would be a negative impact on the eligibility of the Subordinated Notes as Tier 2 Capital Instruments,

which the Issuer determines, in its sole discretion, to be unacceptable; or

- (b) the Issuer determines that all, some or a proportion of all or some Subordinated Notes are not, or will not be treated as Tier 2 Capital Instruments, other than as a result of a change of treatment expected by the Issuer as at the Issue Date,

(a Regulatory Event).

If the Issuer becomes entitled to redeem the Subordinated Notes under this Condition 6.7, the Issuer may do so by giving not more than 45 Business Days' nor less than 15 Business Days' notice to the Registrar and the

Subordinated Noteholders in accordance with Condition 12 and to the ASX of any early

redemption of Subordinated Notes in accordance with this Condition 6.7 and upon expiry of such notice will redeem all (but not some only) of the Subordinated Notes for their Outstanding Principal Amount together with accrued interest (if any) on the relevant Interest Payment Date.

The Issuer's right to exercise the option to redeem Subordinated Notes in accordance with this Condition 6.7 is subject to:

- (c) APRA giving its prior written approval; and
- (d) either:
 - (i) before or concurrently with redemption, the Issuer replacing the Subordinated Notes with a capital instrument which is of the same or better quality (for the purposes of the prudential standards and guidelines published by APRA and applicable to the Issuer from time to time) than the Subordinated Notes and the replacement of the Subordinated Notes is done under conditions that are sustainable for the income capacity of the Issuer, and the Issuer and its Subsidiaries taken as a whole; or
 - (ii) the Issuer obtaining confirmation from APRA that APRA is satisfied, having regard to the capital position of the Issuer, and the Issuer and its Subsidiaries taken as a whole, that the Issuer does not have to replace the Subordinated Notes.

Prior to publication of a notice of redemption described in this Condition 6.7, the Issuer must have received an opinion of legal advisers of recognised standing in Australia in relation to the Regulatory Event.

Approval at the sole discretion of APRA

- 6.8 Any reference to APRA giving its approval to a redemption, call or purchase of an instrument in Condition 6 is at the sole discretion of APRA and such approval may or may not be forthcoming.

Condition 4.5(e)

- 6.9 This Condition 6 is subject to Condition 4.5(e)

Notices of Redemption

- 6.10 Any redemption notice given under Conditions 6.3, 6.4 or 6.7 is irrevocable and obliges the Issuer to redeem the Notes at the time and in the manner specified in the notice, provided that any such notice given in respect of Subordinated Notes

shall be of no effect following the occurrence of the Conversion Date with respect to any Subordinated Note which is to be Converted or Written-Off on such Conversion Date in accordance with Condition 8.

7. Events of Default

Events of Default - Senior Notes

7.1 An Event of Default occurs in relation to a Senior Note of any Series if:

- (a) **(payment default)** the Issuer fails to pay any principal or any interest in respect of the Senior Notes within 5 days of the relevant due date;
- (b) **(other default)** the Issuer defaults in performance or observance of or compliance with any of its material obligations under the Senior Notes (other than an obligation for the payment of any amount due in respect of any of the Senior Notes), which default is incapable of remedy or, if capable of remedy, is not remedied within 14 days after notice requiring such default to be remedied has been given to the Issuer;
- (c) **(unlawfulness)** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Senior Notes;
- (d) **(insolvency)** the Issuer:
 - (i) becomes insolvent, is unable to pay its debts as they fall due or fails to comply with a statutory demand (which is still in effect) under Section 459F of the Corporations Act,
 - (ii) stops or suspends or threatens to stop or suspend payment of all or a material part of its debts, or appoints an administrator under Section 436A of the Corporations Act; or
 - (iii) begins negotiations or takes any proceeding or other step with a view to re-adjustment, rescheduling or deferral of all its indebtedness (or any part of its indebtedness which it will or might otherwise be unable to pay when due) or proposes or makes a general assignment or an arrangement or composition with or

for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting indebtedness of the Issuer,

except in any case referred to in (iii) above for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the Senior Noteholders;

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- (e) **(winding up order)**
- (i) an order is made or an effective resolution is passed for the Winding Up of the Issuer (except in any such case for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of Senior Noteholders); or
 - (ii) an administrator is appointed to the Issuer by a provisional liquidator of the Issuer under Section 436B of the Corporations Act; or
 - (iii) any event which occurs under the law of any relevant jurisdiction which has an analogous or equivalent effect to any of the events referred to in paragraphs (i) or (ii);
- (f) **(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 material part of the assets of the Issuer in respect of any Financial Indebtedness of the Issuer and is not stayed, satisfied or discharged within 14 days or otherwise contested in bona fide proceedings;
- (g) **(enforcement of security)** any present or future Security Interest(s) on or over the assets of the Issuer becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar officer which is not vacated or discharged within 14 days or where the proceedings are being contested in good faith such longer period as may be agreed by an Extraordinary Resolution of the Senior Noteholders) is taken to enforce that Security Interest by reason of a default or event of default (howsoever described) having occurred.

Notwithstanding any provision of Condition 7.1, none of the Events of Default referred to in Condition 7.1 (other than Condition 7.1(e)(i)) will be deemed to have occurred solely as a result of any failure by the Issuer to perform or observe any of its obligations in relation to, or the agreement or declaration of any moratorium with respect to, or the taking of any proceeding in respect of, or the occurrence of any default (however described) under or in respect of any Regulatory Capital of the Issuer.

Consequences of an Event of Default - Senior Notes

- 7.2 Subject to Condition 7.3 if any Event of Default occurs in relation to Senior Notes of any Series or any of them, then a Senior Noteholder in that Series may by written notice to the Issuer (with a copy to the Registrar) declare the Early Termination Amount (together with all accrued interest (if any)) applicable to each Senior Note held by the Senior Noteholder to be due and payable immediately or on such other date specified in the notice.

Rectification

- 7.3 A Senior Noteholder's right under Condition 7.2 to declare Senior Notes due terminates if the situation giving cause to it has been cured before such right is exercised.

Event of Default - Subordinated Notes.

- 7.4 Subject to Condition 4.5(b), an Event of Default occurs in relation to a Subordinated Note of any Series if:
- (a) a Winding Up of the Issuer occurs and is continuing other than for the purposes of a consolidation, amalgamation, merger or reconstruction (the terms of which have been approved by the shareholders of the Issuer or by a court of competent jurisdiction) under which the continuing or resulting corporation effectively assumes the entire obligations of the Issuer under the Subordinated Notes; or
 - (b) the Issuer does not pay an amount owing in connection with a Subordinated Note within 5 days of it falling due.

Consequences of an Event of Default - Subordinated Notes

- 7.5 If any Event of Default occurs in relation to Subordinated Notes of any Series or any of them, the Subordinated Noteholder:
- (a) has no right to declare each Subordinated Note held by it to be due and payable or to take other action on account of the Issuer not paying the amount, except as provided in this Condition 7.5; and
 - (b) may take proceedings in a court of competent jurisdiction:
 - (i) to recover the amount, provided that the Issuer may only be compelled in those proceedings to pay that amount to the extent that it is, and after making the payment would be, Solvent; or
 - (ii) for the Winding Up of the Issuer.

If the Issuer is in Winding Up, a Subordinated Noteholder may by written notice to the Issuer (with a copy to the Registrar) declare each Subordinated Note held by it to be due and payable and, subject to Condition 4, may prove in the Winding Up for an amount equal to the Outstanding Principal Amount of the Subordinated Note (together with interest in accordance with the terms of the Subordinated Notes to the date on which the Winding Up is taken to have commenced).

Any amount not paid due to Condition 7.5(b)(i) remains a debt owing to the Subordinated Noteholder by the Issuer until it is paid.

In this Condition 7.5:

"Assets" means, in respect of the Issuer, its total gross (non-consolidated) 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.

"Liabilities" means, in respect of the Issuer, its total gross (non-consolidated) 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.

"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.

Notification

- 7.6 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 procure that the Registrar promptly notifies the relevant Noteholders of the occurrence of the Event of Default by registered post to the address of the Noteholder recorded in the Register.

8. Subordination and Conversion or Write-Off of Subordinated Notes

Subordination

- 8.1 In the event of the Winding Up of the Issuer constituting an Event of Default with respect to the Subordinated Notes, there shall be payable with respect to the Subordinated Notes, subject to the subordination provisions discussed above (see Condition 4.5 (Terms of Subordination)), an amount equal to the Outstanding Principal Amount of the Subordinated Notes then outstanding, together with all accrued and unpaid interest thereon to the repayment date.

As a result of the subordination provisions, until the Senior Creditors have been paid in full, the Subordinated Noteholder 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. By subscription for, or transfer of, Subordinated Notes to a Subordinated Noteholder, that Subordinated Noteholder will be taken to have agreed that no amount in respect of the Subordinated Notes will be repaid until all the claims of the Senior Creditors admitted in the winding up have been satisfied accordingly. Accordingly, if proceedings with respect to the winding up of the Issuer in Australia were to occur, the Subordinated Noteholders could recover

less relative to the holders of deposit liabilities, the holders of Notes and the holders of prior ranking subordinated liabilities of the Issuer. For the avoidance of doubt, the Subordinated Notes do not constitute deposit liabilities in Australia or protected accounts for the purpose of, or otherwise benefit from a priority under the Banking Act 1959 or the Reserve Bank Act 1959.

If in any such winding up, the amount payable with respect to the Subordinated Notes and any claims ranking equally with the Subordinated Notes cannot be paid in full, the Subordinated Notes and other claims ranking equally with the Subordinated Notes will share relatively in any distribution of the Issuer's assets

in a winding up in proportion to the respective amounts to which they are entitled.

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

Conversion or Write-Off of Subordinated Notes

8.2 This Condition 8.2 applies only to Subordinated Notes issued by the Issuer. Schedule 3 of the Note Deed Poll (including the defined terms therein) shall be deemed to form part of, and be incorporated in, this Condition 8.2.

(a) Non-Viability Trigger Event

A Non-Viability Trigger Event occurs when APRA has provided a written determination (**Non-Viability Determination**) to the Issuer that:

- (i) the conversion or write-off of Relevant Capital Instruments of the Issuer is necessary because without the conversion or write-off APRA considers that the Issuer would become non-viable; or
- (ii) without a public sector injection of capital, or equivalent support, APRA determines that the Issuer will become non-viable.

A Non-Viability Determination provided in accordance with Condition 8.2(a)(i) may specify:

- (A) that all Relevant Capital Instruments then outstanding shall be converted or written-off (in such circumstances, the **Non-Viability Amount**

shall be the aggregate face value of all Relevant Capital Instruments in respect of such Non-Viability Determination); or

- (B) that the Issuer must convert or write-off Relevant Capital Instruments having an aggregate face value determined by the Issuer to be at least sufficient to satisfy APRA that the Issuer would not become non-viable (the amount as so determined being the **Non-Viability Amount** in respect of such Non-Viability Determination).

In the case of a Non-Viability Determination provided in accordance with Condition 8.2(a)(ii), all Relevant Capital Instruments then outstanding shall be converted or written-off by the Issuer (and accordingly, in such circumstances, the **Non-Viability Amount** shall be the aggregate face value of all Relevant Capital Instruments).

(b) Relevant Tier 1 Capital Instruments to be converted or written-off first where permitted

On the date on which a Non-Viability Trigger Event occurs (the **Conversion Date**), the Issuer must convert or write-off Relevant Capital Instruments (including the Subordinated Notes in accordance with this Condition 8.2(b)), in accordance with the Non-Viability Determination.

Where the Non-Viability Determination is issued in accordance with Condition 8.2(a)(i), and the Non-Viability Amount as determined in accordance with such Non-Viability Determination is less than the aggregate nominal amount of Relevant Capital Instruments then outstanding:

- (i) before Relevant Tier 2 Capital Instruments (including the Subordinated Notes) are converted or written-off, the Issuer must convert or write-off all Relevant Tier 1 Capital Instruments;
- (ii) to the extent the Non-Viability Amount exceeds the aggregate nominal amount of Relevant Tier 1 Capital Instruments, the Issuer must convert or write-off Relevant Tier 2 Capital Instruments (including Subordinated Notes in accordance with either Condition 8.2(c) or Condition 8.2(j) (whichever is applicable)), in an aggregate nominal amount equal to the amount of that excess; and
- (iii) immediately on receipt of the Non-Viability Determination, and where required having determined the Non-Viability Amount, the Issuer must determine:

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- (A) the aggregate nominal amount of the Subordinated Notes that will be Converted or be Written-Off in accordance with either Condition 8.2(c) or Condition 8.2(j) (whichever is applicable); and
 - (B) the aggregate nominal amount of other Relevant Tier 2 Capital Instruments which will convert or be written-off.

The Issuer must endeavour to treat Noteholders and holders of any other Relevant Tier 2 Capital Instruments on an approximately proportionate basis or such other basis as is consistent and reasonable and in each case, may discriminate to take account of the effect on marketable parcels and other logistical considerations and the need to effect the Conversion or Write-Off immediately. In determining the aggregate nominal amount of Subordinated Notes to be Converted or Written-off in accordance with Condition 8.2(b)(iii)(A) above, the Issuer must determine such an aggregate nominal amount which is a whole multiple of A\$10,000.

(c) Conversion of Subordinated Notes

Unless "Write-Off – Applicable" is specified in the applicable Pricing Supplement, this Condition 8.2(c) and Conditions 8.2(d), 8.2(e), 8.2(f), 8.2(g), 8.2(h) and 8.2(i) shall apply to the Subordinated Notes.

Notwithstanding any other provision in these Conditions, on the Conversion Date:

- (i) if the Non-Viability Amount determined in accordance with Condition 8.2(a) is the aggregate face value of all Relevant Capital Instruments, then all of the Subordinated Notes will Convert immediately and irrevocably into Ordinary Shares; or
- (ii) if the Non-Viability Amount determined in accordance with Condition 8.2(a) is less than the aggregate face value of all Relevant Capital Instruments, then the relevant nominal amount (as determined under Condition 8.2(b)) of the Subordinated Notes will Convert immediately and irrevocably into Ordinary Shares.

In each such case, the conversion will occur in accordance with the terms set out in Schedule 3 of the Note Deed Poll (the "**Conversion**").

Without limiting the above, Conversion under this Condition 8.2(c) takes priority over a redemption notice issued under Conditions 6.3, 6.4 or 6.7.

(d) Noteholder acknowledgements relating to Conversion and Write-Off

Each Noteholder irrevocably:

- (i) consents to becoming a member of the Issuer upon the Conversion of Subordinated Notes as required by Condition 8.2(c) and agrees to be bound by the constitution of the Issuer, in each case in respect of the Ordinary Shares issued on Conversion;
- (ii) 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 Notes including:
 - (A) any change in the financial position of the Issuer since the issue of the Subordinated Notes;
 - (B) any disruption to the market or potential market for the Ordinary Shares or to capital markets generally; or
 - (C) any breach by the Issuer of any obligation in connection with the Subordinated Notes;
- (iii) acknowledges and agrees that where Condition 8.2(b) applies:
 - (A) there are no other conditions to a Non-Viability Trigger Event occurring as and when provided in Condition 8.2(a);
 - (B) Conversion or Write-Off must occur immediately on the Non-Viability Trigger Event and that may result in disruption or failures in trading or dealings in the Subordinated Notes or other loss to Noteholders;
 - (C) it will not have any rights to vote in respect of any Conversion or Write-Off; and
 - (D) the Ordinary Shares issued on Conversion may not be quoted at the time of issue, or at all;
- (iv) acknowledges and agrees that where Condition 8.2(e) or Condition 8.2(j) applies, no other conditions or events will affect the operation of that Condition and the Noteholder will not have any rights to vote in respect of any Write-Off under that clause;

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- (v) acknowledges and agrees that a Noteholder has no right to request a Conversion or Write-Off of any Subordinated Notes or to determine whether (or in what circumstances) the Subordinated Notes are Converted or Written-Off;
 - (vi) acknowledges and agrees that none of the following shall prevent, impede or delay the Conversion or Write-Off of the Subordinated Notes:
 - (A) any failure to or delay in the conversion or write-off of Relevant Tier 1 Capital Instruments or other Relevant Tier 2 Capital Instruments;
 - (B) any failure or delay in giving a Non-Viability Trigger Event Conversion Notice;
 - (C) any failure or delay in quotation of the Ordinary Shares to be issued on Conversion;
 - (D) any requirement to select or adjust the amount of Subordinated Notes to be Converted in accordance with Condition 8.2(b)(iii); and
 - (vii) acknowledges and agrees that Conversion or Write-Off of the Subordinated Notes in accordance with Condition 8.2 is a fundamental term of the Subordinated Notes and is not subject to any other conditions other than those expressly provided for in Condition 8.2.

(e) **Write-Off due to Inability Event**

If a nominal amount of Subordinated Notes held by a Noteholder is required to Convert under Condition 8.2(c) 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 nominal amount of Subordinated Notes or for any other reason Conversion of that nominal amount of Subordinated Notes fails to occur (an ***Inability Event***) and Conversion has not been effected within five Business Days after the Conversion Date, to the extent the Inability Event prevents the Issuer from Converting the nominal amount of Subordinated Notes of the Noteholder which, but for this Condition 8.2(e), would be Converted, or for any other reason Conversion of that nominal amount of Subordinated Notes fails to occur 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 rights of the Noteholder (including to the payment of any principal or interest) in relation to such nominal amount of Subordinated Notes are Written-Off, with any such Write-Off to be taken as having effect on and from the Conversion Date.

(f) Non-Viability Trigger Event Conversion Notice

As soon as practicable after the occurrence of a Non-Viability Trigger Event, the Issuer must give notice of the Non-Viability Trigger Event (a Non-Viability Trigger Event Conversion Notice) to the Noteholders which states the Conversion Date, the aggregate nominal amount of Subordinated Notes Converted or Written-Off and the aggregate nominal amount of Relevant Tier 2 Capital Instruments converted or written-off.

That Non-Viability Trigger Event Conversion Notice and all calculations and determinations made by the Issuer in connection thereto are final and binding.

(g) Provision of information

(i) Where a nominal amount of Subordinated Notes held by a Noteholder is required to be Converted under Condition 8.2(c), a Noteholder wishing to receive Ordinary Shares must, no later than the Conversion Date, have provided to the Issuer:

(A) 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;

(B) the Noteholder's security account details in CHESS or such other account to which the Ordinary Shares may be credited; and

(C) 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 Noteholder.

(ii) If for any reason (whether or not due to the fault of a Noteholder) the Issuer has not received any information required to be provided by the Noteholder under this Condition 8.2(g) 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 Noteholder to a nominee in accordance with Condition 8.2(i) and the provisions of Condition 8.2(i) shall apply, mutatis mutandis, to such Ordinary Shares.

(h) Failure to Convert

Subject to Conditions 8.2(e), 8.2(i) and 8.2(g)(ii), if, in respect of a Conversion of a Subordinated Note, the Issuer fails to issue the

Conversion Number of Ordinary Shares in respect of the nominal amount of such Subordinated Note to, or in accordance with the instructions of, the relevant Noteholder on the Conversion Date or a nominee where Condition 8.2(i) applies, the nominal amount of that Subordinated Note which would otherwise be subject to Conversion remains, for the purposes of these Conditions, on issue until the earlier of the date on which:

- (i) the Ordinary Shares are issued to, or in accordance with the instructions of, the Noteholder; or
- (ii) the Subordinated Note is Written-Off as set out in Condition 8.2(e),

provided, however, that the sole right of the Noteholder in respect of such Subordinated Note is its right to be issued the Ordinary Shares (subject to its compliance with Condition 8.2(g)) and the remedy of a Noteholder in respect of the Issuer's failure to issue the Ordinary Shares is limited to seeking an order for specific performance of the Issuer's obligation to issue the Ordinary Shares.

(i) Issue to nominee

If any Subordinated Notes are required to be Converted under Condition 8.2(c) and:

- (i) the Noteholder 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 on or after the date on which the relevant Subordinated Note was issued and no less than 15 Business Days prior to the Conversion Date;
- (ii) the Subordinated Notes are held by a person the Issuer believes in good faith may not be a resident of Australia (a Foreign Holder); or
- (iii) if for any reason (whether or not due to the fault of a Noteholder) the Issuer has not received any information required by it in accordance with these Conditions in accordance with Condition 8.2(g) so as to impede the Issuer issuing the Ordinary Shares to a Noteholder on the Conversion Date;

then, on the Conversion Date:

- (iv) where subparagraph (i) or (ii) applies, the Issuer is obliged to issue the Ordinary Shares to the Noteholder only to the extent (if at all) that:

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- (A) where subparagraph (i) applies, the Noteholder wishes to receive them;
 - (B) where subparagraph (ii) 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 Noteholder, the Issuer will issue the balance of the

Ordinary Shares to the nominee appointed by the Issuer in accordance with subparagraph (v) of this Condition 8.2(i);

- (v) otherwise, subject to applicable law, the Issuer will for no additional consideration issue the balance of Ordinary Shares in respect of that Noteholder to a nominee appointed by the Issuer (which nominee may not be the Issuer or a Related Entity of the Issuer) and who, subject to applicable law, will 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 (including the nominee's reasonable out of pocket costs, expenses and charges, in each case properly incurred in connection with such sale from the sale price of the Ordinary Shares) to the Noteholder. The issue of Ordinary Shares to such nominee will satisfy all obligations of the Issuer in connection with the Conversion, the Subordinated Notes will be deemed Converted and on and from the issue of Ordinary Shares the rights of a Noteholder the subject of this Condition 8.2(i) are limited to its rights in respect of the Ordinary Shares or their net cash proceeds as provided in this Condition 8.2(i); and
- (vi) nothing in this Condition 8.2(i) shall affect the Conversion of the Subordinated Notes of a Noteholder which is not a person to which any of subparagraphs (i) to (iii) (inclusive) applies.

(j) Write-Off of Subordinated Notes

If "Write-Off - Applicable" is specified in the applicable Pricing Supplement, then this Condition 8.2(j) shall apply to the Subordinated Notes and, for the avoidance of doubt, Condition 8.2(c)

and Conditions 8.2(d)(i), 8.2(d)(ii), 8.2(d)(iii)(D), 8.2(e), 8.2(g), 8.2(h) and 8.2(i) shall not apply to the Subordinated Notes.

On the Conversion Date the rights of Noteholders (including to payment of any principal or interest) in relation to the nominal amount of the Subordinated Notes are Written-Off.

(k) Ordinary Shares issued upon Conversion

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

(l) No duty on sale

For the purposes of Conditions 8.2(g) and 8.2(i), the Issuer does not owe any obligations or duties to the Noteholders in relation to the price at which Ordinary Shares are sold and has no liability for any loss suffered by a Noteholder as a result of the sale of Ordinary Shares.

9. Payments

Payments of interest and principal

- 9.1 Payments of interest to Noteholders will be made according to the particulars recorded in the Register on the relevant Record Date. Payments of principal to Noteholders will be made according to the particulars recorded in the Register at 10:00am on the Payment Date.

Joint holders

- 9.2 When a Note is held jointly, payment will be made to the holders in their joint names unless requested otherwise.

Method of payments

- 9.3 Payments in respect of each Note will be made in Australian dollars and:
- (a) if the Notes are in the Austraclear System, by crediting on the relevant Payment Date the amount then due to the account of the Noteholder in accordance with the Austraclear Regulations; or
 - (b) if the Notes are not in the Austraclear System, by crediting on the Payment Date the amount then due to an account previously notified by the registered owner of the Note to the Issuer and the Registrar. If the registered owner of the Note has not notified the Issuer and the Registrar of such an account by close of business on the relevant

Record Date or upon application by the registered owner of the Note to the Issuer and the Registrar no later than close of business on the relevant Record Date, payments in respect of the relevant Note will be made by cheque, mailed on the Business Day immediately preceding the relevant Interest Payment Date in the case of payments of interest or on the due date for redemption or repayment, in the case of payments of principal, at the Noteholder's risk to the registered owner (or to the first named of joint registered owners) of such Note at the address appearing in the Register as at the Record Date. Cheques to be despatched to the nominated address of a Noteholder will in such cases be deemed to have been received by the Noteholder on the relevant Payment Date and no further amount will be payable by the Issuer in respect of the relevant Note as a result of payment not being received by the Noteholder on the due date.

Business Days

- 9.4 All payments must be made in accordance with the Applicable Business Day Convention, provided that this clause shall not apply with respect to any payment provided for under Schedule 3 of the Note Deed Poll with respect to a Conversion of Subordinated Notes into Ordinary Shares.

Payment subject to fiscal laws

- 9.5 Payments (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Notes are subject in all cases to applicable provisions of fiscal and other laws, regulations and directives.

Taxation

- 9.6 Unless this Condition 9.6 is specified in the Pricing Supplement as not being applicable or a withholding deduction is required by law or is permitted by Condition 9.6A, all payments (whether in respect of principal redemption amount, interest or otherwise) in respect of the Notes will be made without set-off or counterclaim and free and clear of, and without deduction of or on account of any taxes, levies, duties, charges, deductions or withholding of any nature (together, "**Taxes**") now or hereafter imposed, levied, collected, withheld or assessed by the Commonwealth of Australia or any political subdivision therein or thereof unless such withholding or deduction is required by law.

In that event the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amount received by the Noteholders after such withholding or deduction equals the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction, except that no Additional Amounts are payable in relation to any payments in respect of any Note:

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- (a) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes in respect of such Note by reason of the Noteholders having some connection with the Commonwealth of Australia (or any political subdivision therein or thereof) other than the mere holding of such Note or receipt of payment (whether in respect of principal, redemption amount, interest or otherwise) in respect of it;
 - (b) to, or to a third party on behalf of, a Noteholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non- residence or similar cause for exemption to any tax authority in the place where payment under the Note is made;
 - (c) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of the Note by reason of the Noteholder being an associate of the Issuer within the meaning of section 128F(9) of the Tax Act;
 - (d) to, or on behalf of, a Noteholder where the withholding or deduction is required by reason of the Australian Commissioner of Taxation giving a notice under section 255 of the Tax Act or section 260-5 of Schedule One to the Taxation Administration Act 1953 of Australia;
 - (e) to, or to a third party on behalf of an Australian resident Noteholder or a non-resident Noteholder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that person has not supplied an Australian business number, a tax file number or exemption details as may be necessary to enable the payment to be made without such withholding or deduction; or
 - (f) in such other circumstances as may be specified in the Pricing Supplement.

9.6 A FATCA

- (a) The Issuer may withhold or make deductions from payments or from the issue of Ordinary Shares to a Noteholder where it is required to do so under or in connection with FATCA, or where it has reasonable grounds to suspect that the Noteholder or a beneficial owner of Notes may be subject to FATCA, and may deal with such payment, and any Ordinary Shares in accordance with FATCA.
- (b) If any withholding or deduction arises under or in connection with FATCA, the Issuer will not be required to pay any further amounts or issue any further Ordinary Shares on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Noteholder or a beneficial owner of Notes for, or in respect of, any such withholding or deduction.
- (c) A dealing with such payment and any Ordinary Shares in accordance

with FATCA satisfies the Issuer's obligations to that Noteholder to the extent of the amount of that payment or issue of Ordinary Shares.

Currency indemnity

- 9.7 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 a Noteholder 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 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.

10. Further issues

- (a) The Issuer may from time to time, without the consent of any Noteholder, issue further Notes having the same terms and conditions as the Notes of any Series in all respects (or in all respects except for the first payment of interest, if any, on them and/or their denomination) so as to form a single Series with the Notes of that Series. References in these Terms and Conditions to the Notes include (unless the context requires otherwise) any other Notes issued under this Condition and forming a single Series with the Notes.
- (b) Each issue of Subordinated Notes must comply with standards set by the APRA as in force at the time of issue. If there is a change in those standards between the time of issue of a Series of Subordinated Notes and the time of issue of further Subordinated Notes, those further Subordinated Notes may not form a single Series.
- (c) Without limiting Condition 10(b), the Issuer may make a further issue of Subordinated Notes in accordance with this Condition 10 so as to form a single Series with Subordinated Notes of that Series, provided that as at the Issue Date of such further Subordinated Notes the Maturity Date of those Subordinated Notes must be at least 5 years after the Issue Date.

11. Time limit for claims

A claim against the Issuer for a payment under a Note is void unless such claim is made within 5 years from the Relevant Date of payment.

12. Notices

To the Issuer, and the Registrar

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- 12.1 A notice or other communication in connection with a Note to the Issuer, or the Registrar must be in writing and may be given by prepaid post or delivery to the address of the addressee or by facsimile to the facsimile number of the addressee specified:
- (a) in the Information Memorandum; or
 - (b) as otherwise agreed between those parties from time to time and notified to the Noteholders.

To Noteholders

- 12.2 A notice or other communication in connection with a Note to the Noteholder must be in writing and may be given by:
- (a) an advertisement published in The Australian Financial Review or any other newspaper or newspapers circulating in Australia generally; or
 - (b) if an additional or alternate newspaper is specified in the Pricing Supplement, that newspaper; or
 - (c) prepaid post (airmail if posted to or from a place outside Australia) or delivery to the address of each Noteholder or any relevant Noteholder as shown in the Register at the close of business 3 Business Days prior to the dispatch of the relevant notice or communication.

Effective on receipt

- 12.3 Unless a later time is specified in it a notice, approval, consent or other communication takes effect from the time it is received, except that if it is received after 5.00pm in the place of receipt or on a non-business day in that place, it is to be taken to be received at 9.00am on the next succeeding Business Day in that place.

Proof of receipt

- 12.4 Subject to Condition 12.3, proof of posting of a letter or of publication of a notice is proof of receipt:
- (a) in the case of a letter, on the third (seventh, if outside Australia) day after posting; and
 - (b) in the case of publication, on the date of such publication.

13. Meetings of Noteholders

Meetings of Noteholders may be convened in accordance with the Meeting Provisions. Any such meeting may consider any matters affecting the interests of Noteholders, including, without limitation, the variation of the terms of the Notes by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

14. Amendments*To cure ambiguities*

- 14.1 The Terms and Conditions and the applicable Pricing Supplement may be amended by the Issuer without the consent of any Noteholder for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions therein and such amendment does not adversely affect the interests of the Noteholders, provided that in the case of Subordinated Notes, to the extent such amendments may affect the eligibility of the Subordinated Notes as Tier 2 Capital Instruments, the Issuer has obtained the prior written approval of the APRA.

Approval by Noteholders

- 14.2 The Terms and Conditions and the applicable Pricing Supplement may otherwise be amended by the Issuer with the approval of the Noteholders by Extraordinary Resolution, provided that, in the case of Subordinated Notes, to the extent such amendments may affect the eligibility of the Subordinated Notes as Tier 2 Capital Instruments, the Issuer has obtained the prior written approval of the APRA. No other amendment to the Terms and Conditions has effect in relation to the Noteholders who hold Notes at the date of any amending deed, unless they otherwise agree in writing. An amendment variation will take effect in relation to all subsequent Noteholders. An amendment variation which affects only a particular Series or Tranche of Notes may be approved solely by the Noteholders of such Series or Tranche (provided that in the case of Subordinated Notes to the extent such amendments may affect the eligibility of the Subordinated Notes as Tier 2 Capital Instruments, the Issuer has obtained the prior written approval of the APRA).

15. Registrar*Role of the Registrar*

- 15.1 In acting under the Registry Services Agreement in connection with the Notes, the Registrar acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders save insofar as that any funds received by the Registrar in accordance with the Registry Services Agreement shall, pending their application in accordance with the Registry Services Agreement, be held by it in a segregated account for the persons entitled thereto.

Change of Registrar

- 15.2 The Issuer reserves the right at any time to terminate the appointment of the Registrar in accordance with the Registry Services Agreement and to appoint a successor or additional registrars, provided, however, that the Issuer must at all times maintain the appointment of a registrar. Notice of any such termination of appointment will be given to the Noteholders in accordance with Condition 12.

Appointment of replacement Registrar

- 15.3 If the then current Registrar ceases to be Registrar (whether as a result of termination under Condition 15.2, resignation as a result of the Notes ceasing to be lodged in the Austraclear System or otherwise), the Issuer must ensure that a replacement Registrar is appointed with effect from the relevant date.

16. Calculation Agent

The Calculation Agent and its initial specified officers are as set out in the relevant Pricing Supplement for the Notes issued by the Issuer. The Issuer reserves the right at

any time to terminate the appointment of the Calculation Agent or to appoint additional or other Calculation Agents, provided that it will ensure that at all times for so long as any Notes are outstanding the Calculation Agent acts in respect of Notes for which these Conditions require a Calculation Agent to make calculations.

17. Governing law and jurisdiction

Governing law

- 17.1 The Notes are governed by the law in force in Victoria.

Jurisdiction

- 17.2 The Issuer irrevocably and unconditionally submits, and each Noteholder is taken to have submitted, 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.

Serving documents

- 17.3 Without preventing any other method of service, any document in any action may be served on the Issuer by being delivered or left at its registered office or principal place of business.

18. Power of Attorney

- (a) Each Noteholder appoints each of the Issuer, its officers and any External Administrator of the Issuer (each an Attorney) severally to be the attorney of the Noteholder with power in the name and on behalf of the Noteholder to sign all documents and transfers and do any other thing as may be in the Attorney's opinion to be necessary or desirable to be done in order for the Noteholder to observe or perform the Noteholder's obligations under these Conditions, including effecting any Conversion or Write-Off of Subordinated Notes, making any entry in the Register or the register of any Ordinary Shares or exercising any voting power in relation to any consent or approval required for Conversion or Write- Off.

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- (b) The power of attorney given in this Condition is given for valuable consideration and to secure the performance by the Noteholder of the Noteholder's obligations under these Conditions and is irrevocable.

Terms and Conditions of TDs

The following are the Terms and Conditions of the TDs which, as supplemented, modified or replaced in relation to any TDs by the relevant Pricing Supplement, will be applicable to each Series of TDs.

Each Tranche will be the subject of a Pricing Supplement. References in the Terms and Conditions to a Pricing Supplement are references to the Pricing Supplement applicable to the relevant Tranche of TDs.

Each TD Holder and any person claiming through or under a TD Holder is deemed to have notice of and is bound by these Terms and Conditions, the TD Deed Poll, the Information Memorandum and the relevant Pricing Supplement. Copies of each of these documents (to the extent they relate to a Tranche of TDs) are available for inspection by the holder of any TD of such Tranche at the offices of the Issuer, at its address specified in the Information Memorandum.

1 Interpretation

Definitions

- 1.1 The following words have these meanings in these terms and conditions unless the contrary intention appears:

ADI means an authorised deposit-taking institution, meaning a body corporate authorised under section 9 of the Banking Act 1959, to carry on banking business in Australia.

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

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

- (a) the Purchase Price specified in the Pricing Supplement; and
- (b) the product of the Amortisation Yield specified in the Pricing Supplement (compounded annually) being applied to the Purchase 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 upon which the TD becomes due and repayable.

Where such 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 shall be made on the basis of the Day Count Fraction specified in the Pricing Supplement.

Applicable Business Day Convention means the Business Day Convention specified in the Pricing Supplement as applicable to any date in respect of the TD or, if none is specified, the Applicable Business Day Convention for such purpose is the Following Business Day Convention. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates and any other date or dates in respect of any TDs.

APRA means the Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of the Issuer.

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

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

Austraclear Regulations means the regulations known as the “Regulations and Operating Manual” established by Austraclear to govern the use of the Austraclear System and as amended from time to time.

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

Australian Dollars and **A\$** means the lawful currency of Australia.

Australian Dollar Equivalent means for an amount denominated in an Alternate Currency, the Australian Dollar Equivalent of that amount determined on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of the relevant Alternate Currency in the Sydney foreign exchange market quoted by any leading bank selected by the Issuer on the relevant calculation date. The calculation date is, at the discretion of the Issuer, either the date of the relevant Pricing Supplement for such TDs or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney.

Business Day means:

- (a) a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general banking business in the place specified in the Pricing Supplement, or, if no such place is specified, Melbourne, Sydney and Adelaide; and
- (b) if a TD is to be issued or paid on such Business Day, a day on which commercial banks settle payments in the relevant currency in Melbourne, Sydney and Adelaide and a day on which the Austraclear System is operating.

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 Pricing Supplement in relation to any date applicable to any TD, have the following meanings:

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- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
- (i) such date is brought forward to the first preceding day that is a Business Day; and
 - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention** or Modified Business Day Convention means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day; and
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day.

Calculation Agent means, in respect of a Tranche, the person (if any) specified as such in the relevant Pricing Supplement. The Calculation Agent must be the same for all TDs in a Series.

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

Condition means the correspondingly numbered condition in these Terms and Conditions.

Corporations Act means the Corporations Act 2001 of Australia.

Costs includes costs, charges and expenses, including those incurred in connection with advisers.

Day Count Fraction means, in respect of the calculation of an amount for any period of time (“**Calculation Period**”), the day count fraction specified in the Pricing Supplement and:

- (a) if **Actual/365** or **Actual/Actual** 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 the portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in the portion of the Calculation Period falling in a non-leap year divided by 365;

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- (b) if **Actual/365 (fixed)** is so specified, the actual number of days in the Calculation Period divided by 365;
 - (c) if **Actual/360** is specified, means the actual number of days in the Calculation Period divided by 360;
 - (d) if **30E/360** or **Eurobond Basis** is 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 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
 - (e) if **Australian Bond Basis** is specified, one divided by the number of Interest Payment Dates in a year.

Denomination means the notional face value of a TD as specified in the relevant Pricing Supplement.

Early Termination Amount means in relation to a TD, the Outstanding Principal Amount or, if the TD is non-interest bearing, the Amortised Face Amount or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Pricing Supplement.

Event of Default in relation to a Term Instrument has the meaning given to it in Condition 7.

Extraordinary Resolution has the same meaning as in the Meetings Provisions.

FATCA means the *Foreign Account Tax Compliance Act* provisions, sections 1471 to 1474 of the United States Internal Revenue Code (including any regulations or official interpretations issued, agreements entered into or non-US laws enacted with respect to those provisions).

Final Broken Amount has the meaning given to it in the Pricing Supplement.

Financial Arrangement includes a currency swap, an interest rate swap, a forward exchange rate agreement, a forward interest rate agreement or a futures contract or futures option (each within the meaning of section 9 of the Corporations Act) or any other option agreement or combination of the above or any similar arrangement.

Financial Indebtedness means, in respect of any person, any indebtedness, present or future, actual or contingent of that person in respect of moneys borrowed or raised or any financial accommodation or Financial Arrangement whatsoever including (without limitation):

- (a) under or in respect of any Guarantee, bill, acceptance or endorsement or any discounting arrangement;

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- (b) in respect of any obligation to pay par value, premium and dividend (whether or not declared, and whether or not there are sufficient profits or other moneys for payment) of any redeemable share or stock issued by that person or to purchase any share or stock issued by that person which is the subject of a put option against that person;
 - (c) in respect of any Lease which under current accounting practice would be required to be capitalised on the balance sheet of the lessee;
 - (d) the deferred purchase price (for more than 90 days) of any asset or service and any related obligation; and
 - (e) in respect of any obligation to deliver goods or services which are paid for in advance by a financier or which are paid for in advance in relation to any financing transaction.

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

Guarantee means any guarantee, indemnity, letter of credit, suretyship or any other obligation (whatever called and of whatever nature):

- (a) to pay or to purchase; or
- (b) to provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets, rights or services, or otherwise) for the payment or discharge of; or
- (c) to indemnify against the consequences of default in the payment of; or
- (d) otherwise to be responsible for,

any obligation or indebtedness, any dividend, capital or premium on shares or stock or the insolvency or the financial condition of any other person.

Information Memorandum means at any time the Information Memorandum (and any supplement to it) (whether in printed or electronic form) prepared on behalf of , and approved in writing by, the Issuer in connection with the issue of Notes and TDs, all documents incorporated by reference in it and such other information (including in the case of a Tranche of Notes or TDs, as the case may be, a Pricing Supplement) approved in writing by the Issuer from time to time.

Initial Broken Amount has the meaning given to it in the Pricing Supplement.

Instrument means a TD or a Note.

Interest Accrual Period means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided that the first Interest Accrual Period commences on and includes the Interest Commencement Date and the final Interest Accrual Period ends on but excludes the Maturity Date.

Interest Commencement Date means the Issue Date or such other date as may be specified as such in the Pricing Supplement.

Interest Payment Date means the date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement and adjusted, if necessary, in accordance with the Applicable Business Day Convention.

Interest Period means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided that the first Interest Period commences on and includes the Interest Commencement Date and the final Interest Period ends on but excludes the Maturity Date.

Interest Period End Date means the dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement as adjusted, if necessary, in accordance with the Applicable Business Day Convention or, if no date or dates are specified in the Pricing Supplement, means the dates which correspond with the Interest Payment Dates in respect of the TDs.

Interest Rate means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the TDs specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement and in the case of Floating Rate Notes, the rate determined in accordance with Condition 5.3.

Issue Date means the day on which any TD is or is to be accepted as specified in or determined in accordance with the provisions of the Pricing Supplement.

Issuer means Bendigo and Adelaide Bank Limited (ABN 11 068 049 178).

Lease means:

- (a) any lease, charter or hiring arrangement of any property;
- (b) any other agreement under which any property is or may be used or operated by a person other than the owner; and
- (c) any agreement under which any property is or may be managed or operated for or on behalf of the owner or another person by a person other than the owner, and the operator or manager or its related body corporate (as defined in section 9 of the Corporations Act) (whether in the same or another agreement) is required to make or assure minimum, fixed and/or floating rate payments of a periodic nature,

(other than agreements under which the manager of a joint venture uses assets owned by the joint venture on behalf of the joint venture).

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

Material Subsidiary means a Subsidiary of the Issuer as to which either or both of the following conditions is satisfied:

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- (a) its net profits attributable to the Issuer (before taxation and extraordinary items) for its last completed financial year represent 5 per cent. or more of the consolidated net profits (before taxation and extraordinary items but after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year; or
- (b) its gross assets attributable to the Issuer for its last completed financial year represent 5 per cent. or more of the consolidated gross assets (after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year.

A certificate by the Issuer's auditors as to whether a Subsidiary of the Issuer is or is not, or was or was not, at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive.

Maturity Date means the date for redemption of a TD or, in the case of an amortising TD, the date on which the last instalment of principal is payable, in each case, as specified in the Pricing Supplement.

Maturity Redemption Amount means in relation to a TD, the Outstanding Principal Amount or such other redemption amount as may be specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

Maximum Interest Rate means the Maximum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

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

Minimum Interest Rate means the Minimum Interest Rate specified in, or calculated or determined in accordance with the provisions of, the Pricing Supplement.

Note means a note being a debt obligation of the Issuer constituted by, and owing under, the Note Deed Poll to the holder of the note, the details of which are recorded in and evidenced by, inscription in the Register.

Note Deed Poll means the deed poll entitled "Note Deed Poll" (including the Terms and Conditions which form schedule 1 to the deed poll) originally dated 24 November 2000 as amended and restated from time to time.

Ordinary Resolution has the same meaning as in the Meetings Provisions.

Outstanding means, on any date, TDs which have not been redeemed or satisfied in full by the Issuer.

Outstanding Principal Amount means in respect of an TD which is Outstanding at any time, the Denomination of the TD less the aggregate of any part of the principal amount of that TD that has been paid or otherwise satisfied by the Issuer and for such purposes:

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- (a) the premium of a TD issued or to be redeemed at a premium is to be taken to be added to the principal amount;
 - (b) the principal amount of a TD issued at a discount is to be taken as at any time to equal its Denomination or, if provided for in its terms and conditions, its amortised principal amount at that time;
 - (c) the principal amount of a partly paid TD is to be taken to equal its Denomination.

Payment Date means, in respect of a TD, an Interest Payment Date, the Maturity Date or other relevant payment date (including an early payment date).

Pricing Supplement means:

- (a) in the case of Term Instruments, a pricing supplement prepared and issued in relation to Term Instruments of a relevant Tranche or Series which has been confirmed in writing by the Issuer; or
- (b) in the case of Short Term Instruments, a confirmation of acceptance of an offer for Short Term Instruments confirmed in writing by the Issuer.

Purchase Price means, in respect of a TD, the purchase price so specified in the relevant Pricing Supplement.

Record Date means, in the case of payments of interest, 5:00pm (Sydney time) on the eighth calendar day before the relevant date for payment.

Register means a register, including any branch register, of TD Holders established and maintained by the Issuer in which is entered the names and addresses of TD Holders whose TDs are carried on that register, the amount of TDs held by each TD Holder and the Tranche, Series and date of issue and transfer of those TDs, and any other particulars which the Issuer sees fit.

Registrar means Austraclear Services Limited (ABN 28 003 284 419) or such other person appointed by the Issuer pursuant to the Registry Services Agreement to establish and maintain the Register on the Issuer's behalf from time to time.

Registry Services Agreement means the "Agency and Registry Services Agreement" dated 30 June 2009 between the Issuer and Austraclear Services Limited, or any replacement of it.

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

Related Entity means:

- (a) any entity controlled (whether directly or indirectly) by:
 - (i) an ADI; or
 - (ii) the ultimate parent of an ADI (including the parent entity itself);

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- (b) other entities (and their subsidiaries) deemed by APRA to be a 'related entity' of an ADI; or
 - (c) as otherwise defined by APRA from time to time.

Relevant Date means the date on which a payment in respect of the TDs just becomes due, except that if the full amount payable has not been received by the Registrar on or before the due date, it means the date on which, the full amount having been so received, notice to that effect is given to the TD Holders in accordance with Condition 11.

Resolution means an Extraordinary Resolution or Ordinary Resolution, as the context requires.

Security Interest includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind (including, without limitation, retention of title and any deposit of money by way of security), 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);and
- (c) any security or preferential interest or arrangement arising under or created pursuant to any right of set-off.

Series means an issue of TDs made up of one or more Tranches all of which have identical terms, except that the Issue Date and the amount of the first payment of interest may be different in respect of different Tranches of a Series.

Short Term Instrument means a TD which will have a Tenor of not less than 7 days and not more than 364 days.

Subsidiary of an entity means another entity which is a subsidiary of the first within the meaning of part 1.2 division 6 of the Corporations Act or is a subsidiary of or otherwise controlled by the first within the meaning of any applicable approved accounting standard.

Tax Act means the Income Tax Assessment Act 1936 of Australia and where applicable, the Income Tax Assessment Act 1997 of Australia.

Taxes has the meaning given to that term in Condition 8.6.

TD means each transferable deposit obligation of the Issuer owing under the TD Deed Poll to a holder of the deposit obligation, the details of which are recorded in, and evidenced by, inscription in the Register and TDs means the aggregate of all such rights.

TD Deed Poll means the deed poll (including the Terms and Conditions which form schedule 1 to the deed poll) originally dated 24 November 2000 as amended and restated from time to time.

TD Holder means a person whose name is for the time being entered in the Register as the holder of a TD or, where a TD is owned jointly by two or more persons, the persons whose names appear in the Register as the joint owners of that TD and (for the avoidance of doubt) when a TD is entered into the Austraclear System, includes Austraclear acting on behalf of a member of the Austraclear System.

Tenor of a TD means the number of days from and including its Issue Date to, and excluding, its Maturity Date.

Term Instrument means a TD which will have a Tenor of not less than 365 days.

Tier 1 Capital Instrument means a share, note or other security or instrument constituting Tier 1 Capital (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 (as defined by APRA from time to time).

Tranche means an issue of TDs all of which are issued on the same Issue Date and the terms of which are identical in all respects.

Winding Up means:

- (a) a court order is made 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
- (b) an effective resolution is passed by shareholders or members for the winding-up of the Issuer.

Interpretation

1.2 In these terms and conditions unless the contrary intention appears:

- (a) a reference to these terms and conditions is a reference to these terms and conditions as modified, supplemented or replaced by the Pricing Supplement;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) a reference to a document (including these Conditions) includes any variation or replacement of it;
- (d) the singular includes the plural and vice versa;
- (e) the word *person* includes a firm, body corporate, an unincorporated association or an authority;

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- (f) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
 - (g) a reference to any thing (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively and to each of them individually;
 - (h) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
 - (i) the meaning of terms is not limited by specific examples introduced by **including**, or **for example**, or similar expressions;
 - (j) a reference to an issue or purchase of TDs will be construed as an acceptance of TDs by the Issuer as a deposit obligation of the Issuer to the relevant TD Holder; and
 - (k) a listing rule, business rule or market integrity rule of a financial market (as defined in the Corporations Act) will be regarded as a **law**.

Headings

- 1.3 Headings are inserted for convenience and do not affect the interpretation of these terms and conditions.

2 Form, denomination and title

Constitution

- 2.1 The TDs are registered deposit obligations of the Issuer arising on the acceptance by the Issuer of the principal amount deposited and take the form of entries in the Register. Each entry in the Register constitutes a separate and individual acknowledgment to the relevant TD Holder of the indebtedness of the Issuer to the relevant TD Holder.

Independent obligations

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

Currency

- 2.3 TDs may be denominated in Australian Dollars or an Alternate Currency specified in the Pricing Supplement.

Denomination

- 2.4 Unless otherwise specified in the Pricing Supplement TDs are issued in the Denomination of A\$10,000.

Register conclusive

- 2.5 Entries in the Register in relation to a TD constitute conclusive evidence that the person so entered is the registered owner of the TD subject to rectification for fraud or error. No TD will be registered in the name of more than 4 persons. A TD registered in the name of more than one person is held by those persons as joint tenants. TDs will be registered by name only without reference to any trusteeship. The person registered in the Register as a TD Holder of a TD will be treated by the Issuer and the Registrar as absolute owner of that TD and neither the Issuer nor the Registrar is, except as ordered by a court or as required by statute, obliged to take notice of any other claim to a TD.

Holder absolutely entitled

- 2.6 Upon a person acquiring title to any TD by virtue of becoming registered as the owner of that TD, all rights and entitlements arising by virtue of the TD Deed Poll in respect of that TD vest absolutely in the registered owner of the TD, such that no person who has previously been registered as the owner of the TD has or is entitled to assert against the Issuer or the Registrar or the registered owner of the TD for the time being and from time to time any rights, benefits or entitlements in respect of the TD.

Location of Register

- 2.7 The Register will be established and maintained in New South Wales unless otherwise agreed by the Issuer and the Registrar.

Certificates

- 2.8 The TDs are issued in registered form. No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to a TD unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

Acknowledgment

- 2.9 Where the Austraclear System is recorded in the Register as the TD Holder, each person in whose account that TD is recorded is deemed to acknowledge in favour of the Registrar and Austraclear that:
- (a) the Registrar's decision to act as the Registrar of the TD does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the TD but only indicates that such TD is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the TD; and
 - (b) the TD Holder does not rely on any fact, matter or circumstance contrary to Condition 2.9(a).

3 Transfers*Limit on transfer*

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- 3.1 TDs may only be transferred in whole.

Conditions of transfer

- 3.2 Unless otherwise specified in the Pricing Supplement, TDs may only be transferred if:
- (a) the consideration payable at the time of transfer is a minimum amount of A\$500,000 (or Australian Dollar Equivalent) (disregarding any moneys lent by the transferor or its associates to the transferee) or the offer or invitation giving rise to the transfer otherwise does not require disclosure to be made to investors under Part 6D.2 and Part 7 of the Corporations Act; and
 - (b) the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place.

Transfer procedures

- 3.3 Unless TDs are lodged in the Austraclear System, application for the transfer of TDs must be made by the lodgement of a transfer form with the Registrar. Transfer forms are available from the Registrar. Each transfer form must be duly completed signed by both the transferor and transferee, and be accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the TD.

TDs entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

Registration of transfer

- 3.4 The transferor of a TD is deemed to remain the holder of that TD until the name of the transferee is entered in the Register in respect of that TD. Transfers will not be registered later than eight calendar days prior to the Maturity Date.

No charge on transfer

- 3.5 Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid.

Estates

- 3.6 A person becoming entitled to a TD as a consequence of the death or bankruptcy of a TD Holder or of a vesting order or a person administering the estate of a TD Holder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the TD or, if so entitled, become registered as the holder of the TD.

Unincorporated associations

- 3.7 A transfer to an unincorporated association is not permitted.

Transfer of unidentified TDs

- 3.8 Where the transferor executes a transfer of less than all TDs of the relevant Tranche or Series registered in its name, and the specific TDs to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the TDs of the relevant Tranche or Series registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the TDs registered as having been transferred equals the aggregate principal amount of the TDs expressed to be transferred in the transfer.

ASX

- 3.9 Notes which are listed on the ASX will not be transferred through, or registered on, CHESS and are not “Approved Financial Products” (as defined for the purposes of that system).

4 Status

The TDs are direct, unsubordinated and unsecured obligations of the Issuer and rank equally among themselves and at least equally with all other unsecured and unsubordinated obligations of the Issuer except liabilities mandatorily preferred by law.

The TDs rank senior to the Issuer’s subordinated obligations.

The Issuer does not make any representation as to whether the TDs would constitute deposit liabilities in Australia or protected accounts for the purpose of, or otherwise benefit from a priority under the Banking Act 1959 or the Reserve Bank Act 1959.

5 Interest

General

- 5.1 TDs may be either interest-bearing or non interest-bearing, as specified in the relevant Pricing Supplement. Interest-bearing TDs may bear interest at either a fixed rate or a floating rate. In relation to any Tranche of TDs, the relevant Pricing Supplement may specify actual amounts of interest payable (“Interest Amounts”) rather than, or in addition to, a rate or rates at which interest accrues.

The Pricing Supplement in relation to each Tranche of interest-bearing TDs will specify which of Conditions 5.2, 5.3 and 5.4 will be applicable to the TDs. Condition 5.5 will be applicable to each Tranche of interest-bearing TDs save to the extent of any inconsistency with the relevant Pricing Supplement.

Interest - fixed rate

- 5.2 Each TD in relation to which this Condition 5.2 is specified in the relevant Pricing Supplement as being applicable (“Fixed Rate TDs”) will bear interest on its Outstanding Principal Amount at the fixed coupon rate or the fixed rate or rates per annum specified in the relevant Pricing Supplement from the Issue Date of the TDs. Interest will be payable in arrear on the Interest Payment Dates specified in the relevant Pricing Supplement.

Interest which is required to be calculated for a period of other than a full year will be calculated on such basis as is specified as the Day Count Fraction in the relevant Pricing Supplement.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount (as defined in the Pricing Supplement).

If the Maturity Date is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount (as defined in the Pricing Supplement).

5.3 Interest - floating rate

(a) *Accrual of interest*

TDs in relation to which this Condition 5.3 is specified in the relevant Pricing Supplement as being applicable (“**Floating Rate TDs**”) will bear interest in respect of each Interest Period at the rate or rates per annum determined in accordance with this Condition 5.3.

Each Floating Rate TD will bear interest on its Outstanding Principal Amount at the Interest Rate (as defined below) from the Interest Commencement Date. Interest will be payable in arrear on each Interest Payment Date. If any Interest Payment Date in respect of a Floating Rate TD would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be determined in accordance with the Business Day Convention specified in the Pricing Supplement.

(b) *Interest Rate*

The Interest Rate payable in respect of Floating Rate TDs shall be determined by the Calculation Agent as specified in the relevant Pricing Supplement. Unless otherwise specified in the relevant Pricing Supplement, if in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with this Condition, the Interest Rate applicable in respect of the Floating Rate TDs during that Interest Period will be the Interest Rate applicable to the Floating Rate TDs during the immediately preceding Interest Period.

(c) *Calculation of interest amount payable*

The Calculation Agent will, as soon as practicable on or after determining the Interest Rate in relation to each Interest Period, calculate the amount of interest payable for the relevant Interest Period in respect of the Outstanding Principal Amount of each TD. The amount of interest payable will be calculated by multiplying the product of the Interest Rate for such Interest Period and the Outstanding Principal Amount by the applicable Day Count Fraction and rounding the resultant figure to the nearest cent (with halves being rounded upwards).

Interest - other rates

5.4 TDs in relation to which this Condition 5.4 is specified in the relevant Pricing Supplement as being applicable will bear interest at the rate or rates calculated on the basis specified in, and be payable in the amounts and in the manner determined in accordance with, the relevant Pricing Supplement.

5.5 Interest - supplemental provisions

(a) *Interest Payment Dates*

Interest on each TD will be payable in arrear at such intervals and on such Interest Payment Dates as are specified in the relevant Pricing Supplement and on the Maturity Date.

(b) *Notification of Interest Rate, interest payable and other items*

The Calculation Agent will cause each Interest Rate, the amount of interest payable and each other amount, item or date, as the case may be, determined or calculated by it to be notified to the Issuer, the Registrar and to be notified to TD Holders in accordance with Condition 11 as soon as practicable after such determination or calculation but in any event not later than the fourth Business Day thereafter. The Calculation Agent will be entitled to amend any such amount, item or date (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the previous sentence.

(c) *Determination final*

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it pursuant to these Conditions (including, without limitation, the Interest Rate for any Interest Period and the amount of interest payable for any Interest Period in respect of any TD) is, in the absence of manifest error, final and binding on the Issuer, each TD Holder, the Registrar, and the Calculation Agent.

(d) *Accrual of interest*

Interest accrues on the Outstanding Principal Amount of each TD or as otherwise indicated in the relevant Pricing Supplement. Interest ceases to accrue as from the due date for redemption of a TD unless the relevant payment is not made in which case interest will continue to accrue thereon (as well after as before any demand or judgement) at the rate then applicable to the Outstanding Principal Amount of the TD or such other default rate (if any) as may be specified in the relevant Pricing Supplement until the date on which the relevant payment is made or, if earlier, the seventh day after the date on which the Registrar receives the funds required to make such payment (provided that notice of such circumstance is given to the TD Holders in accordance with Condition 11) except to the extent that there is failure in the subsequent payment thereof to the relevant TD Holders.

Zero Coupon TDs

- 5.6 If the amount due and payable in respect of a non-interest bearing TD (“**Zero Coupon TDs**”) on the redemption date is not paid when due, the Interest Rate for any such overdue principal is a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified in the relevant Pricing Supplement.

Calculations and adjustments

- 5.7 The amount of interest payable in respect of any TD for any period of less than one year is calculated by multiplying the product of the Interest Rate and the Outstanding Principal Amount by the Day Count Fraction, save that if the Pricing Supplement specifies an amount in respect of such period, the amount of interest payable in respect of such TD for such period is equal to such specified amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period is the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

If any Maximum Interest Rate or Minimum Interest Rate is specified in the Pricing Supplement, then the Interest Rate will not in any event exceed the maximum or be less than the minimum so specified.

For the purposes of any calculations referred to in these terms and conditions and unless otherwise specified in these terms and conditions or the Pricing Supplement:

- (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest fifth decimal place (with 0.000005% being rounded to 0.00001%); and
- (b) all Australian dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up).

Calculation Agent

- 5.8 As soon as practicable after the relevant time on such date as these terms and conditions or the Pricing Supplement may require:

- (a) any Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or any other amount to be calculated; or
- (b) any quote to be obtained or any determination or calculation to be made by the Calculation Agent,

the Calculation Agent will be required to:

- (c) determine the Interest Rate in respect of each Series of the TDs for the relevant Interest Accrual Period, Interest Period or Interest Payment Date;
- (d) calculate the Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or other amount; or
- (e) obtain such quote or make such determination or calculation,

and cause the Interest Rate for each Interest Accrual Period, Interest Period or Interest Payment Date and, if required to be calculated, any Amortised Face Amount, Early Termination Amount, Maturity Redemption Amount or other amount, to be notified to the Registrar and the Issuer as soon as possible after their determination but in no event later than 5.00pm on the Business Day on which such calculation is made.

The Calculation Agent must obtain relevant quotes from appropriate banks or reference agents or obtain information from such other sources as are specified in these terms and conditions or the Pricing Supplement or, failing which, as the Calculation Agent deems appropriate.

The calculations and determinations made by the Calculation Agent shall, in the absence of manifest error, be final and binding on the parties.

6 Redemption and purchase

Redemption on maturity

- 6.1 Unless previously redeemed, or purchased and cancelled or unless such TD is stated in the Pricing Supplement as having no fixed maturity date, each TD shall be redeemed on maturity at its Maturity Redemption Amount.

Purchase of TDs

- 6.2 The Issuer or any of its Subsidiaries or any Related Entity may at any time purchase TDs in the open market or otherwise and at any price. All unmaturing TDs purchased in accordance with this condition may be held, resold or cancelled at the discretion of the Issuer, subject to compliance with all legal and regulatory requirements.

Redemption for taxation reasons

- 6.3 If this Condition 6.3 is specified in the relevant Pricing Supplement as being applicable, if, in respect of the TDs of any Series, the Issuer, on the occasion of the next payment due in respect of the TDs, would be required to make payment of any Additional Amount (as defined in Condition 8.6), then the Issuer may give not more than 30 nor less than 15 days' notice to the Registrar and the TD Holders in accordance with Condition 11, and upon expiry of such notice shall redeem all (but not some only) of the TDs at their early redemption amount applicable for tax redemptions ("**Early Redemption Amount (Tax)**") (which is their Outstanding Principal Amount or such other Early Redemption Amount (Tax) as is specified in the Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon.

Prior to publication of any such notice of redemption, the Issuer shall deliver to the Registrar a certificate signed by an authorised person of the Issuer showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of legal advisers of recognised standing to the Issuer in its jurisdiction of incorporation to the effect that the Issuer would be required to pay Additional Amounts referred to in Condition 8.6 on the occasion of the next payment due in respect of the TDs of that Series.

Redemption for loss of deductibility reasons

- 6.3A If this Condition 6.3A is specified in the relevant Pricing Supplement as being applicable, if prior to the Maturity Date the Issuer determines (supported by an opinion as to such determination from tax advisers of recognised standing in Australia provided to the Registrar) that interest payable on the TDs is not or may not be allowed as a deduction for the purposes of Australian income tax, other than by reason of a change in law that was expected by the Issuer as at the Issue Date, then the Issuer may give not more than 60 nor less than 30 days notice to the Registrar and the Noteholders in accordance with Condition 11, and upon expiry of such notice will redeem all (but not some only) of the TDs at the Early Redemption Amount (Loss of Deductibility).

The notice referred to above will specify the due date for redemption and the Early Redemption Amount (Loss of Deductibility).

“Early Redemption Amount (Loss of Deductibility)” means the Outstanding Principal Amount together with accrued interest (if any) to the date of redemption.

Early redemption at the option of the Issuer

- 6.4 If this Condition 6.4 is specified in the relevant Pricing Supplement as being applicable then the Issuer, having given at least the minimum period (if any) (but not more than the maximum period (if any)) of notice specified in the relevant Pricing Supplement to TD Holders in accordance with Condition 11 (which notice must comply with the following paragraph and shall be irrevocable) and subject to satisfaction of any relevant conditions specified in the relevant Pricing Supplement, may redeem all (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, some only) of the TDs on any Business Day (being, in the case of interest-bearing TDs (unless otherwise specified in the relevant Pricing Supplement), an Interest Payment Date) at their early redemption amount applicable for calls by the Issuer (“Early Redemption Amount (Call)”) (which is their Outstanding Principal Amount or such other Early Redemption Amount (Call) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon.

The notice referred to above shall specify:

- (a) the Series of TDs subject to redemption;
- (b) subject to the Pricing Supplement specifying that a partial redemption is permissible, whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the TDs of the relevant Series which are to be redeemed;
- (c) the due date for redemption;
- (d) the Early Redemption Amount (Call) at which such TDs are to be redeemed; and

- (e) whether or not accrued interest is to be paid upon redemption and, if so, the amount thereof or the basis or method of calculation thereof, all as provided in the relevant Pricing Supplement.

In the case of a partial redemption of TDs, the TDs to be redeemed will be selected by the Registrar, and notice of the TDs selected for redemption will be given in accordance with Condition 11 not less than 15 days prior to the date fixed for redemption.

Any notice given under this Condition 6.4 is irrevocable and obliges the Issuer to redeem the TDs at the time and in the manner specified in the notice.

Redemption at the option of TD Holders

- 6.5 If this Condition 6.5 is specified in the relevant Pricing Supplement as being applicable then, at the option of the TD Holder and provided that any conditions to the exercise of such option as are specified in the relevant Pricing Supplement have been satisfied, the Issuer will redeem the TD on any day (being, in the case of an interest-bearing TD (unless otherwise specified in the relevant Pricing Supplement) an Interest Payment Date) at its early redemption amount applicable for puts (“Early Redemption Amount (Put)”) (which is its Outstanding Principal Amount or such other Early Redemption Amount (Put) as is specified in, or determined in accordance with, the relevant Pricing Supplement) together with (unless otherwise specified in the Pricing Supplement) accrued interest (if any) thereon.

To exercise such option, the TD Holder must complete, sign and deliver to the specified office of the Registrar not less than 45 days before the redemption date (or such other period as may be specified in the relevant Pricing Supplement), a redemption notice (in the form obtainable from the Registrar) together with the relevant extract for the TDs.

Zero Coupon TDs

- 6.6 In the case of a Zero Coupon TD (unless otherwise specified in the Pricing Supplement), the Early Termination Amount is the Amortised Face Amount or such other amount specified in the Pricing Supplement.

7 Events of Default

Events of Default

- 7.1 Subject to Condition 7.5, an Event of Default occurs in relation to a TD of any Series which is a Term Instrument, if:
- (a) **(payment default)** the Issuer fails to pay any principal or any interest in respect of the TDs within 5 days of the relevant due date;
 - (b) **(other default)** the Issuer defaults in performance or observance of or compliance with any of its material obligations under the TDs (other than an obligation for the payment of any amount due in respect of any of the TDs), which default is incapable of remedy or, if capable of remedy, is

not remedied within 14 days after notice requiring such default to be remedied has been given to the Issuer;

- (c) **(unlawfulness)** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the TDs;
- (d) **(insolvency)** the Issuer:
 - (i) becomes insolvent, is unable to pay its debts as they fall due or fails to comply with a statutory demand (which is still in effect) under Section 459F of the Corporations Act;
 - (ii) stops or suspends or threatens to stop or suspend payment of all or a material part of its debts, or appoints an administrator under Section 436A of the Corporations Act; or
 - (iii) begins negotiations or takes any proceeding or other step with a view to re-adjustment, rescheduling or deferral of all its indebtedness (or any part of its indebtedness which it will or might otherwise be unable to pay when due) or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting indebtedness of the Issuer,

except in any case referred to in (iii) above for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the TD Holders;

- (e) **(winding up order)**
 - (i) an order is made or an effective resolution is passed for the Winding Up of the Issuer (except in any such case for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of TD Holders); or
 - (ii) an administrator is appointed to the Issuer by a provisional liquidator of the Issuer under Section 436B of the Corporations Act; or
 - (iii) any event which occurs under the law of any relevant jurisdiction which has an analogous or equivalent effect to any of the events referred to in paragraphs (i) or (ii);
- (f) **(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 material part of the assets of the Issuer in respect of any Financial Indebtedness of the Issuer and is not stayed, satisfied or discharged within 14 days or otherwise contested in bona fide proceedings;
- (g) **(enforcement of security)** any present or future Security Interest(s) on or over the assets of the Issuer becomes enforceable and any step (including

the taking of possession or the appointment of a receiver, manager or similar officer which is not vacated or discharged within 14 days or where the proceedings are being contested in good faith such longer period as may be agreed by an Extraordinary Resolution of the TD Holders) is taken to enforce that Security Interest by reason of a default or event of default (howsoever described) having occurred.

Notwithstanding any provision of Condition 7.1, none of the Events of Default referred to in Condition 7.1 (other than Condition 7.1(e)(i)) will be deemed to have occurred solely as a result of any failure by the Issuer to perform or observe any of its obligations in relation to, or the agreement or declaration of any moratorium with respect to, or the taking of any proceeding in respect of, or the occurrence of any default (however described) under or in respect of any Regulatory Capital of the Issuer.

Consequences of an Event of Default

- 7.2 Subject to Condition 7.3, if any Event of Default occurs in relation to Term Instruments of any Series or any of them, then a TD Holder in that Series may by written notice to the Issuer (with a copy to the Registrar) declare the Early Termination Amount (together with all accrued interest (if any)) applicable to each Term Instrument held by the TD Holder to be due and payable immediately or on such other date specified in the notice.

Rectification

- 7.3 A TD Holder's right under Condition 7.2 to declare Term Instruments due terminates if the situation giving cause to it has been cured before such right is exercised.

Notification

- 7.4 If an Event of Default occurs in relation to a Term Instrument, 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 procure that the Registrar promptly notifies the relevant TD Holders of the occurrence of the Event of Default by registered post to the address of the TD Holder recorded in the Register.

Events of Default not applicable to Short Term Instruments.

- 7.5 For the avoidance of doubt, this Condition 7 is not applicable to a TD which is a Short Term Instrument.

8 Payments

Payments of interest and principal

- 8.1 Payments of interest to TD Holders will be made according to the particulars recorded in the Register on the relevant Record Date. Payments of principal to TD Holders will be made according to the particulars recorded in the Register at 10:00am on the Payment Date.

Joint holders

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- 8.2 When a TD is held jointly, payment will be made to the holders in their joint names unless requested otherwise.

Method of payments

- 8.3 Payments in respect of each TD will be made in Australian Dollars and:
- (a) if the TDs are in the Austraclear System, by crediting on the relevant Payment Date the amount then due to the account of the TD Holder in accordance with the Austraclear Regulations; or
 - (b) if the TDs are not in the Austraclear System, by crediting on the Payment Date the amount then due to an account previously notified by the registered owner of the TD to the Issuer and the Registrar. If the registered owner of the TD has not notified the Issuer and the Registrar of such an account by close of business on the relevant Record Date or upon application by the registered owner of the TD to the Issuer and the Registrar no later than close of business on the relevant Record Date, payments in respect of the relevant TD will be made by cheque, mailed on the Business Day immediately preceding the relevant Interest Payment Date in the case of payments of interest or on the due date for redemption or repayment, in the case of payments of principal, at the Noteholder's risk to the registered owner (or to the first named of joint registered owners) of such TD at the address appearing in the Register as at the Record Date. Cheques to be despatched to the nominated address of a TD Holder will in such cases be deemed to have been received by the TD Holder on the relevant Payment Date and no further amount will be payable by the Issuer in respect of the relevant TD as a result of payment not being received by the TD Holder on the due date.

Business Days

- 8.4 All payments must be made in accordance with the Applicable Business Day Convention.

Payment subject to fiscal laws

- 8.5 Payments (whether in respect of principal, redemption amount, interest or otherwise) in respect of the TDs are subject in all cases to applicable provisions of fiscal and other laws, regulations and directives.

Taxation

- 8.6 Unless this Condition 8.6 is specified in the Pricing Supplement as not being applicable or a withholding deduction is required by law or is permitted by Condition 8.6A, all payments (whether in respect of principal redemption amount, interest or otherwise) in respect of the TDs will be made without set-off or counterclaim and free and clear of, and without deduction of or on account of any taxes, levies, duties, charges, deductions or withholding of any nature (together, "**Taxes**") now or hereafter imposed, levied, collected, withheld or assessed by the Commonwealth of Australia or any political subdivision therein or thereof unless such withholding or deduction is required by law.

In that event the Issuer will pay such additional amounts (“**Additional Amounts**”) as may be necessary in order that the net amount received by the TD Holders after such withholding or deduction equals the respective amounts which would otherwise have been receivable in respect of the TDs in the absence of such withholding or deduction, except that no Additional Amounts are payable in relation to any payments in respect of any TD:

- (a) to, or to a third party on behalf of, a TD Holder who is liable to such Taxes in respect of such TD by reason of the TD Holders having some connection with the Commonwealth of Australia (or any political subdivision therein or thereof) other than the mere holding of such TD or receipt of payment (whether in respect of principal, redemption amount, interest or otherwise) in respect of it;
- (b) to, or to a third party on behalf of, a TD Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar cause for exemption to any tax authority in the place where payment under the TD is made;
- (c) to, or to a third party on behalf of, a TD Holder who is liable to the Taxes in respect of the TD by reason of the TD Holder being an associate of the Issuer within the meaning of section 128F(9) of the Tax Act;
- (d) to, or on behalf of, a TD Holder where the withholding or deduction is required by reason of the Australian Commissioner of Taxation giving a notice under section 255 of the Tax Act or section 260-5 of Schedule One to the Taxation Administration Act 1953 of Australia;
- (e) to, or to a third party on behalf of an Australian resident TD Holder or a non-resident TD Holder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that person has not supplied an Australian business number, a tax file number or exemption details as may be necessary to enable the payment to be made without such withholding or deduction; or
- (f) in such other circumstances as may be specified in the Pricing Supplement.

FATCA

- 8.6A (a) The Issuer may withhold or make deductions from payments or from the issue of TDs where it is required to do so under or in connection with FATCA, or where it has reasonable grounds to suspect that the proposed TD Holder or a beneficial owner of TDs may be subject to FATCA, and may deal with such payment, and any TDs in accordance with FATCA.
- (b) If any withholding or deduction arises under or in connection with FATCA, the Issuer will not be required to pay any further amounts or issue any further TDs on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a TD

Holder or a beneficial owner of TDs for, or in respect of, any such withholding or deduction.

- (c) A dealing with such payment and any TDs in accordance with FATCA satisfies the Issuer's obligations to that TD Holder to the extent of the amount of that payment or issue of TDs.

Currency indemnity

8.7 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 a TD 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 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.

9 Further issues

The Issuer may from time to time, without the consent of any TD Holder, issue further TDs having the same terms and conditions as the TDs of any Series in all respects (or in all respects except for the first payment of interest, if any, on them and/or their denomination) so as to form a single Series with the TDs of that Series. References in these Terms and Conditions to the TDs include (unless the context requires otherwise) any other TDs issued under this Condition and forming a single Series with the TDs.

10 Time limit for claims

A claim against the Issuer for a payment under a TD is void unless such claim is made within 5 years from the Relevant Date of payment.

11 Notices

To the Issuer, and the Registrar

11.1 A notice or other communication in connection with a TD to the Issuer, or the Registrar must be in writing and may be given by prepaid post or delivery to the address of the addressee or by facsimile to the facsimile number of the addressee specified:

- (a) in the Information Memorandum; or
- (b) as otherwise agreed between those parties from time to time and notified to the TD Holders.

To TD Holders

-
- 11.2 A notice or other communication in connection with a TD to the TD Holder must be in writing and may be given by:
- (a) an advertisement published in The Australian Financial Review or any other newspaper or newspapers circulating in Australia generally; or
 - (b) if an additional or alternate newspaper is specified in the Pricing Supplement, that newspaper; or
 - (c) prepaid post (airmail if posted to or from a place outside Australia) or delivery to the address of each TD Holder or any relevant TD Holder as shown in the Register at the close of business 3 Business Days prior to the dispatch of the relevant notice or communication.

Effective on receipt

- 11.3 Unless a later time is specified in it a notice, approval, consent or other communication takes effect from the time it is received, except that if it is received after 5.00pm in the place of receipt or on a non-business day in that place, it is to be taken to be received at 9.00am on the next succeeding Business Day in that place.

Proof of receipt

- 11.4 Subject to Condition 11.3, proof of posting of a letter or of publication of a notice is proof of receipt:
- (a) in the case of a letter, on the third (seventh, if outside Australia) day after posting; and
 - (b) in the case of publication, on the date of such publication.

12 Meetings of TD Holders

Meetings of TD Holders may be convened in accordance with the Meeting Provisions. Any such meeting may consider any matters affecting the interests of TD Holders, including, without limitation, the variation of the terms of the TDs by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

13 Amendments

To cure ambiguities

- 13.1 The Terms and Conditions and the form of the Pricing Supplement may be amended by the Issuer without the consent of any TD Holder for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions therein and such amendment does not adversely affect the interests of the TD Holders.

Approval by TD Holders

- 13.2 The Terms and Conditions and the Pricing Supplement may otherwise be amended by the Issuer with the approval of the TD Holders by Extraordinary

Resolution. No other amendment to the Terms and Conditions has effect in relation to the TD Holders who hold TDs at the date of any amending deed, unless they otherwise agree in writing. An amendment will take effect in relation to all subsequent TD Holders. An amendment which affects only a particular Series or Tranche of TDs may be approved solely by the TD Holders of such Series or Tranche.

14 Registrar

Role of the Registrar

- 14.1 In acting under the Registry Services Agreement in connection with the TDs, the Registrar acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the TD Holders save insofar as that any funds received by the Registrar in accordance with the Registry Services Agreement shall, pending their application in accordance with the Registry Services Agreement, be held by it in a segregated account for the persons entitled thereto.

Change of Registrar

- 14.2 The Issuer reserves the right at any time to terminate the appointment of the Registrar in accordance with the Registry Services Agreement and to appoint a successor or additional registrars, provided, however, that the Issuer must at all times maintain the appointment of a registrar. Notice of any such termination of appointment will be given to the TD Holders in accordance with Condition 11.

Appointment of replacement Registrar

- 14.3 If the then current Registrar ceases to be Registrar (whether as a result of termination under Condition 14.2, resignation as a result of the TDs ceasing to be lodged in the Austraclear System or otherwise), the Issuer must ensure that a replacement Registrar is appointed with effect from the relevant date.

15 Calculation Agent

The Calculation Agent and its initial specified officers are as set out in the relevant Pricing Supplement for the TDs issued by the Issuer. The Issuer reserves the right at any time to terminate the appointment of the Calculation Agent or to appoint additional or other Calculation Agents, provided that it will ensure that at all times for so long as any TDs are outstanding the Calculation Agent acts in respect of TDs for which these Conditions require a Calculation Agent to make calculations.

16 Governing law and jurisdiction

Governing law

- 16.1 The TDs are governed by the law in force in Victoria.

Jurisdiction

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- 16.2 The Issuer irrevocably and unconditionally submits, and each TD Holder is taken to have submitted, 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.

Serving documents

- 16.3 Without preventing any other method of service, any document in any action may be served on the Issuer by being delivered or left at its registered office or principal place of business.

Form of Pricing Supplement for Term Instruments

The Pricing Supplement that will be issued in respect of each Tranche will be substantially in the form set out below.

Series No.: []

Tranche No.: []

Bendigo and Adelaide Bank Limited

(ABN 11 068 049 178)

A\$7,500,000,000

Debt Instrument Programme

Issue of

[Aggregate Principal Amount of Tranche]

[Title of Term Instruments] (“Instruments”)

The date of this Pricing Supplement is []

This Pricing Supplement (as referred to in the Information Memorandum dated 25 November 2016 in relation to the above Programme) relates to the Tranche of Term Instruments referred to above. It is supplementary to, and should be read in conjunction with the [Note Deed Poll/TD Deed Poll] dated 24 November 2000, as amended and restated on [25 November 2016]/[10 January 2014] made by the Issuer.

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 Term Instruments or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Instruments referred to above are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS –

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (IMD), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the Prospectus Directive). Consequently no key information document required by Regulation (EU) No 1286/2014 (the PRIIPs Regulation) for offering or selling

the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

- | | | | |
|-----------|--|---|--|
| 1 | Issuer | : | Bendigo and Adelaide Bank Limited |
| 2 | Type of Term Instrument | : | [TD/Note] |
| 3 | Type of Issue | : | [Non-Private Placement/Private Placement] |
| 4 | Public Offer Test Compliant | : | It [is/is not] the Issuer's intention that this issue of Instruments will be issued in a manner which will seek to satisfy the Public Offer Test under section 128F of the Income Tax Assessment Act 1936 (Cth). |
| 5 | IWT Notice | : | The Tax gross-up in respect of the Commonwealth of Australia specified in Condition [8.6 of the TDs / 9.6 of the Notes] of the Instruments is [applicable/not applicable] to this Tranche with effect from the Issue Date. |
| 6 | Relevant Dealer(s) | : | [Name] |
| 7 | Lead Manager(s) | : | [Name(s)] |
| 8 | Registrar | : | [Name and address] |
| 9 | Calculation Agent | : | [Name and address] |
| 10 | If to form a single Series with an existing Series, specify date on which all Term Instruments of the Series become fungible, if not the Issue Date | : | [Specify] |
| 11 | Aggregate Principal Amount of Tranche | : | [Specify] |
| 12 | If interchangeable with existing Series | : | [Specify] |
| 13 | Issue Date | : | [Specify] |
| 14 | Purchase Price | : | [Specify] |
| 15 | Denomination(s) | : | [Specify amount and currency] |

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- 16 Interest Type** : [Fixed Rate Instrument/ Floating Rate Instrument/Zero Coupon Instrument/Amortising/Other]
- 17 If interest-bearing, specify which of Conditions 5.2 (fixed rate), 5.3 (floating rate) or 5.4 (other rates) is applicable, and then specify the matters required for the relevant Condition, namely** : []
- 18 Condition 5.2 for Fixed Rate Instruments** : Applicable [Yes/No]
- (a) **Interest Rate(s)** : []
- (b) **Interest Commencement Date, if not Issue Date** : []
- (c) **Interest Payment Dates** : []
- (d) **Day Count Fraction** : [] (if none specified, the Day Count Fraction will be the Australian Bond Basis (as defined in the Terms and Conditions)).
- (e) **Initial Broken Amount** : []
- (f) **Final Broken Amount** : []
- 19 Condition 5.3 for Floating Rate Instruments:** Applicable [Yes/No]
- (a) **Interest Commencement Date** : []
- (b) **Interest Rate** : []
- (c) **Interest Payment Dates** : []
- (d) **Business Day Convention** : [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (e) **Day Count Fraction** : [] (if none specified, the Day Count Fraction will be the Australian Bond Basis (as defined in the Terms and Conditions)).
- 20 Condition 5.4 for other rates** : Applicable: [Yes/No]
[specify full interest determination provisions, including Interest

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- Commencement Date, rate or calculation basis for interest or actual amounts of interest payable, amount and dates for payment, minimum/maximum rates]
- 21 Accrual of interest** : Specify any change to Condition 5.5(d) regarding accrual of interest: []
- 22 Amortisation Yield** : In the case of Zero Coupon Instruments, specify the Amortisation Yield (Condition 5.6): []
- 23 Maturity Date** : [] [In the case of an amortising Instrument, insert the date on which the last instalment of principal is payable].
- 24 Maturity Redemption Amount** : [] [If Maturity Redemption Amount is not the outstanding principal amount of the Term Instruments, insert amount or full calculation provisions.]
- 25 Early Redemption Amount (Tax)**
- (a) If Early Redemption Amount (Tax) is not the outstanding principal amount together with accrued interest (if any) thereon of the Term Instruments, insert amount or full calculation provisions** : []
- (b) Specify if Term Instrumentholders are not to receive accrued interest on early redemption for tax reasons** : []
- 25A Early Redemption Amount (Loss of Deductibility) applicable** : Condition 6.3A [is/is not]
- (a) If Early Redemption Amount (Loss of Deductibility) is not the outstanding principal amount together with accrued interest (if any) thereon of the Term Instruments, insert amount or full calculation provisions** : []
- (b) Specify if Term Instrument holders are not to receive accrued interest on early redemption for loss of deductibility tax reasons** : []
- 26 Early Redemption Amount (Call)** : Condition 6.4 [is/is not] applicable.
- (a) Specify minimum notice period for**

-
- the exercise of the call option** : []
- (b) **Specify maximum notice period for the exercise of the call option** : []
- (c) **Specify any relevant conditions to exercise of option** : []
- (d) **Specify whether redemption at Issuer's option is permitted in respect of some only of the Term Instruments and, if so, any minimum aggregate principal amount and the means by which Term Instruments will be selected for redemption** : []
- (e) **Specify if Term Instrumentholders are not to receive accrued interest on early redemption at their option** : []
- 26A Early Redemption for regulatory reasons** : Condition 6.7 [is / is not] applicable
- Specify any relevant conditions to exercise of option** : [The Issuer may, by giving notice to Noteholders in accordance with Condition 12.2, elect to redeem all but not some of the Notes provided that:
- (i) prior written approval from APRA is received; and
- (ii) a Regulatory Event (as defined in Condition 6.7) occurs.]
- 27 Early Redemption Amount (Put)** : Condition 6.5 [is/is not] applicable.
- (a) **Specify minimum notice period for exercise of put option** : []
- (b) **Specify any relevant conditions to exercise of option** : []
- (c) **Specify if Term Instrumentholders are not to receive accrued interest on early redemption at Issuer's option** : []
- 28 Early Redemption Amount (Event of Default)** : []
- (a) **If upon the occurrence of an Event of Default**

-
- the amount that a [Noteholder / TD Holder] may recover is not the outstanding principal amount of the Term Instruments, insert amount or full calculation provisions : []**
- (b) Specify if Term Instrumentholders are not to receive accrued interest on early redemption on default : []**
- 29 Redemption of Zero Coupon Instruments : Specify any change to Condition 6.6**
- 30 Taxation : Specify the additional circumstances in which an exception to the gross up obligation are to apply pursuant to Condition [8.6 of the TDs / 9.6 of the Notes].**
- 31 Other relevant terms and conditions : Specify any Conditions to be altered, varied, deleted otherwise than as provided above and also any additional Conditions to be included.**
- 32 Other selling restrictions : Specify any variation to the selling restrictions**
- 33 Listing : []**
- 34 Events of Default : Specify any additional (or modifications to) Events of Default**
- 35 Additional or alternate newspapers : Specify any additional or alternate newspapers for the purposes of Condition [11.2(b) of the TDs / 12.2(b) of the Notes].**
- 36 Status - Subordinated Notes : Specify if Subordinated Notes are to be issued on terms other than those contained in Condition 4.**
- 37 ISIN Code : []**
- Common Code : []**
- 38 Clearing System : Austraclear System**

[On admission to the Austraclear System, interests in the Instruments may be held through Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) or Clearstream Banking, société anonyme (“**Clearstream**,

Luxembourg). In these circumstances, entitlements in respect of holdings of interests in the Instruments in Euroclear would be held in the Austraclear System by Westpac Custodian Nominees Limited as a nominee of Euroclear while entitlements in respect of holdings of interests in the Instruments in Clearstream, Luxembourg would be held in the Austraclear System by ANZ Nominees Limited as nominee of Clearstream, Luxembourg.

The rights of a holder of interests in Instruments held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System (provided that, to the maximum extent permitted by law, if such rules and regulations or terms and conditions (as the case may be) affect the eligibility of the Instruments as Regulatory Capital, then the terms and conditions of this Pricing Supplement (and the Note Deed Poll where applicable) shall prevail to extent of any inconsistency).]

39 Provisions relating to Subordinated Notes

- | | |
|--------------------------------|---|
| (a) Subordinated Notes: | [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph 39) |
| (b) Write-Off: | [Applicable/Not Applicable]
(If not applicable, include the remaining sub-paragraphs of this paragraph 39) |
| (c) Conversion: | |
| (i) CD: | [] |
| (ii) VWAP Period: | [As specified in the Schedule to the Conditions]/[[] Business Days] |
| (iii) Issue Date VWAP: | [As specified in the Schedule to the Conditions]/[[] Business Days] |

[Note: In accordance with Condition 8.2(e), if within 5 Business Days of the Conversion Date Conversion has not occurred, the relevant Subordinated Notes will be Written Off.]

CONFIRMED

**For and on behalf of
Bendigo and Adelaide Bank Limited**

By:

Date:

[Name] Authorised Officer

Australian Taxation

*The following is a summary of the taxation treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “**Australian Tax Act**”), at the date of this Information Memorandum, of payments of interest (as defined in the Australian Tax Act) on the Instruments and certain other matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Instruments (including, dealers in securities, custodians or other third parties who hold Instruments on behalf of any Instrument holders). It does not deal with any tax implications arising from conversion or write off of Instruments.*

Prospective holders of Instruments should also be aware that particular terms of issue of any Series of Instruments may affect the tax treatment of that and other Series of Instruments. The following is a general guide and should be treated with appropriate caution. Prospective holders of Instruments who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the Instruments for their particular circumstances.

1. Interest withholding tax

An exemption from Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act (“**IWT**”) is available, in respect of the Instruments issued by the Issuer under section 128F of the Australian Tax Act if the following conditions are met:

- (a) the Issuer is a resident of Australia when it issues those Instruments and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;
- (b) the Instruments are debentures or debt interests and not equity interests as defined;
- (c) those Instruments are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering those Instruments for issue. In summary, the five methods are:
 - offers to 10 or more unrelated financiers or securities dealers;
 - offers to 100 or more investors;
 - offers of listed Instruments;
 - offers via publicly available information sources; or
 - offers to a dealer, manager or underwriter who offers to sell those Instruments within 30 days by one of the preceding methods.
- (d) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that those Instruments or interests in those Instruments were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act; and
- (e) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act.

Associates

An “associate” of the Issuer for the purposes of section 128F of the Australian Tax Act when the Issuer is not a trustee includes (i) a person or entity which holds more than 50% of the voting shares in, or otherwise controls, the Issuer, (ii) an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Issuer, (iii) a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust, and (iv) a person or entity which is an “associate” of another person or company which is an “associate” of the Issuer under any of the foregoing.

However, “associate” does not include:

- (A) onshore associates (ie Australian resident associates who do not hold the Instruments in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who hold the Instruments in the course of carrying on business at or through a permanent establishment in Australia); or
- (B) offshore associates (ie Australian resident associates who hold the Instruments in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who do not hold the Instruments in the course of carrying on business through a permanent establishment in Australia) who are acting in the capacity of:
 - (i) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Instruments, or a clearing house, custodian, funds manager or responsible entity of a registered scheme; or
 - (ii) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

Compliance with section 128F of the Australian Tax Act

Unless otherwise specified in any relevant Pricing Supplement (or another relevant supplement to this Information Memorandum), the Issuer intends to issue Instruments in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

Instrument holders resident in Treaty Countries

The Australian government has signed a number of new or amended double tax conventions (“**New Treaties**”) with certain countries including the United States, United Kingdom, France, Japan, New Zealand, South Africa, Norway, Finland, Switzerland and Germany (“Treaty Countries”). The New Treaties apply to interest derived by a resident of a Treaty Country.

The New Treaties effectively prevent IWT applying to interest derived by:

- the governments of the relevant Specified Country and certain governmental authorities and agencies in the Treaty Country; and
- certain unrelated banks and other financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Treaty Country,

by reducing the IWT rate to zero. Under the New Treaties back-to-back loans and economically equivalent arrangements will not obtain the benefit of the reduction in IWT mentioned above and the anti-avoidance provisions in the Australian Tax Act can apply.

Payment of additional amounts

As set out in more detail in the relevant Terms and Conditions, and unless expressly provided to the contrary in the relevant Pricing Supplement (or another relevant supplement to this Information Memorandum), if the Issuer is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Instruments, the Issuer must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of those Instruments after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required. If the Issuer is compelled by law in relation to any Instruments (other than Subordinated Notes) to deduct or withhold an amount in respect of any withholding taxes, the Issuer will have the option to redeem those Instruments in accordance with the relevant Terms and Conditions.

2. Other tax matters

Under Australian law as presently in effect:

- (a) *income tax - offshore Instrument holders* - assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Instruments, payment of principal and interest (as defined in section 128A(1AB) of the Australian Tax Act) to a holder of the Instruments, who is a non-resident of Australia and who, during the taxable year, does not hold the Instruments in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes; and
- (b) *income tax - Australian Instrument holders* - Australian residents or non-Australian residents who hold the Instruments in the course of carrying on business at or through a permanent establishment in Australia (“**Australian Holders**”), will be assessable for Australian tax purposes on income either received or accrued due to them in respect of the Instruments. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular Instrument holder and the terms and conditions of the Instruments. Certain taxpayers are required to include returns on the Instruments on an accruals basis under the taxation of financial arrangements rules of the Australia Tax Act. Special rules apply to the taxation of Australian residents who hold the Instruments in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located; and
- (c) *gains on disposal of Instruments - offshore Instrument holders* - a holder of the Instruments, who is a non-resident of Australia and who has never held the Instruments in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Instruments, provided such gains do not have an Australian source. A gain arising on the sale of Instruments by a non-Australian resident holder to another non-Australian resident where the Instruments are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not be regarded as having an Australian source; and

-
- (d) *gains on disposal of Instruments - Australian Instrument holders* - Australian Holders will be required to include any gain or loss on disposal of the Instruments in their taxable income. Special rules apply to the taxation of Australian residents who hold the Instruments in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located; and
- (e) *deemed interest* - there are specific rules that can apply to treat a portion of the purchase price of Instruments as interest for withholding tax purposes when certain Instruments originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on business at or through a permanent establishment in Australia. If the Notes are not issued at a discount and do not have a maturity premium, these rules should not apply to the Notes. These rules also do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the Instruments had been held to maturity by a non-resident; and
- (f) *death duties* - no Instruments will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death; and
- (g) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Instruments; and
- (h) *other withholding taxes on payments in respect of Instruments* - section 12-140 of Schedule 1 of the Taxation Administration Act 1953 of Australia (“**Taxation Administration Act**”) imposes a type of withholding tax at the rate of (currently) 47% on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“**TFN**”), (in certain circumstances) an Australian Business Number (“**ABN**”) or proof of some other exception (as appropriate). Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Instruments, then the requirements of section 12-140 do not apply to payments to a holder of Instruments in registered form who is not a resident of Australia and not holding those Instruments in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of Instruments in registered form may be subject to a withholding where the holder of those Instruments does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate); and
- (j) *supply withholding tax* - payments in respect of the Instruments can, in certain circumstances, be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 of the Taxation Administration Act; and
- (k) *goods and services tax (GST)* - neither the issue nor receipt of the Instruments will give rise to a liability for GST in Australia on the basis that the supply of Instruments will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Instruments, would give rise to any GST liability in Australia; and
- (l) *debt/equity rules* - Division 974 of the Australian Tax Act, contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and IWT. The

Issuer intends to issue Instruments which are to be characterised as “debt interests” for the purposes of the tests contained in Division 974 and the returns paid on the Instruments are to be “interest” for the purpose of section 128F of the Australian Tax Act. Accordingly, prior to any conversion of Instruments to shares in the Issuer, Division 974 is unlikely to affect the Australian tax treatment of holders of Instruments; and

- (m) *Additional withholdings from certain payments to non-residents* - section 12-315 of Schedule 1 of the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this Information Memorandum are not relevant to any payments in respect of the Notes. Any further regulations should also not apply to repayments of principal under the Instruments, as in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any regulations to the proceeds of any further sale of the Instruments will need to be monitored; and
- (n) *Directions by the Commissioner of Taxation to withhold tax* - The Commissioner of Taxation of the Commonwealth of Australia may give a direction under section 255 of the Australian Tax Act or Section 260-5 of Schedule 1 to the Taxation Administration Act 1953 or any similar provision requiring the Issuer to deduct from any payment to any other party (including Instrument holders) any amount in respect of Australian tax payable by that other party; and
- (o) *Taxation of Financial Arrangements* - The taxation of financial arrangements rules can affect the taxation of financial instruments such as the Instruments. but should not apply to holders who are not residents of Australia and do not hold the Instruments in the course of carrying on business at or through a permanent establishment in Australia and do not contain any measures that would override the exemption from Australian interest withholding tax available under section 128F of the Australian Tax Act in respect of interest payable on the Instruments.

Selling Restrictions

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (“**Corporations Act**”)) in relation to the Programme or any Instruments has been or will be lodged with the Australian Securities and Investments Commission (“**ASIC**”), the Australian Securities Exchange or any other stock exchange or trading facility licensed under the Corporations Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, unless the relevant Pricing Supplement otherwise provides, it:

- (a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any Instruments in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published and will not distribute or publish, the Information Memorandum or any other offering material or advertisement relating to any Instruments in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in other currencies but disregarding moneys lent by the offeror or its associates (as defined in the Corporations Act)) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or 7.9 of the Corporations Act and is not made to a person who is a "retail client" within the meaning of Section 761G of the Corporations Act;
- (ii) such action complies with all applicable laws, regulations and directives; and
- (iii) such action does not require any document to be lodged with, or registered by ASIC.

In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it will not sell any Instrument issued by the Issuer in circumstances where employees of the Dealer aware of, or involved in, the sale know, or have reasonable grounds to suspect, that the Instrument or an interest in or right in respect of the Instrument, was being or would later be, acquired either directly or indirectly by an Offshore Associate of the Issuer acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Instruments or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act.

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

Hong Kong

The Notes have not been, and will not be, offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the documents being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation, other offering material or other document relating to the Notes may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities law of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

New Zealand

Notes may not be offered in contravention of the Financial Markets Conduct Act 2013 of New Zealand (or any statutory modification or re-enactment of, or statutory substitution for, that Act) (**NZ FMCA**).

The Issuer does not intend that Notes be offered for issue or sale in circumstances requiring disclosure under Part 3 of the NZ FMCA.

Accordingly, no disclosure document has been or will be lodged or provided under the NZ FMCA.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes; and
- (b) it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement (as defined in the NZ FMCA, as applicable) in relation to any offer of Notes,

in each case in New Zealand, other than:

- (a) to a person who is an investment business within the meaning of clause 37 of Schedule 1 of the NZ FMCA; or
- (b) to a person who is large within the meaning of clause 39 of Schedule 1 of the NZ FMCA; or

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- (c) to a person who is a government agency within the meaning of clause 40 of Schedule 1 of the NZ FMCA; or
 - (d) in other circumstances where there is no contravention of the NZ FMCA, provided that Notes may not be offered or transferred to any “eligible investors” (as defined in the NZ FMCA) or any person in reliance on such person satisfying the investment activity criteria specified in clause 38 of Schedule 1 to the NZ FMCA.

Malaysia

Each Dealer, (and each further Dealer appointed under the Programme will):

- (a) acknowledges that (i) no approval from the Securities Commission Malaysia (SC) is or will be obtained and/or no lodgement to the SC under the Lodge and Launch Framework issued by the SC has been or will be made for the offering of the Notes on the basis that the Notes will be issued and offered exclusively to persons outside Malaysia, and (ii) the Offering Circular has not been registered as a prospectus with the SC under the Capital Markets and Services Act 2007 of Malaysia; and
- (b) represents and agrees that the Notes may not be offered, sold, transferred or otherwise disposed of, directly or indirectly, nor may any document or other material in connection therewith be distributed, to a person in Malaysia except by way of a secondary transaction of the Notes which does not involve retail investors, and a prospectus has not been issued.

Taiwan

The Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority or agency of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be issued, offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority or agency of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Notes in Taiwan.

Singapore

Each Dealer has acknowledged that this Information Memorandum and any other documents or materials relating to the Programme or any Instruments have not been, and will not be, registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that this Information Memorandum and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the Notes has not been, and may not be, circulated or distributed, nor have the Notes been offered or sold or caused to have been made the subject of an invitation for subscription or purchase, or may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than:

- to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA");

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- to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA; or
 - otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA:
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

European Economic Area

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the IMD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and

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- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(l) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the any Notes in, from or otherwise involving the United Kingdom.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a

confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Public Offer Selling Restriction under the Prospective Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Programme as completed by the applicable Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive. For the purposes of this provision:

- (i) the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- (ii) the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, and includes any relevant implementing measure in the Relevant Member State.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will

be set out in the Pricing Supplement issued in respect of the Instruments to which it relates or in a supplement to this Information Memorandum.

No action has been taken in any jurisdiction that would permit a public offering of any of the Instruments, or possession or distribution of the Information Memorandum or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Instruments or possesses or distributes this Information Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Instruments under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefore. Neither the Issuer nor any of the Dealers represents that any Instruments may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

Persons into whose hands this Information Memorandum or any Pricing Supplement comes are required by the Issuer and the relevant Dealers in respect of any Series of Instruments to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or have in their possession or distribute such offering material, in all cases at their own expense.

Directory

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