

THIS NOTICE IS IMPORTANT. IF HOLDERS ARE IN ANY DOUBT AS TO THE MEANING OR CONTENT OF THIS NOTICE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE IMMEDIATELY FROM THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER

IMPORTANT NOTICE TO THE HOLDERS OF

**A\$900,000,000 Fixed to Floating Rate Subordinated Notes due 20 September 2034
(ISIN:AU3CB0292472);**

and

**A\$1.45 billion Fixed to Floating Rate Subordinated Notes due 12 August 2032
(ISIN: AU3CB0291466);**

and

**A\$300,000,000 Floating Rate Subordinated Notes due 12 August 2032
(ISIN: AU3FN0070330),**

(the "Securities")

issued pursuant to the Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) Debt Issuance Programme (the "Programme")

NOTICE IS HEREBY GIVEN to the holders of the Securities as follows:

16 December 2022.

- 1 Australia and New Zealand Banking Group Limited (the "**Issuer**") refers to the terms and conditions applicable to the Securities set out in the Information Memorandum dated 11 March 2021, as amended or supplemented from time to time, and as amended and supplemented by:
 - (a) the Pricing Supplement for the A\$900,000,000 Fixed to Floating Rate Subordinated Notes due 20 September 2034, dated 16 September 2022;
 - (b) the Pricing Supplement for the A\$1.45 billion Subordinated Notes due 12 August 2032, dated 12 August 2022; or
 - (c) the Pricing Supplement for the A\$300,000,000 Floating Rate Subordinated Notes due 12 August 2032, dated 10 August 2022,(as applicable) ("**Terms**") and the deed poll dated 20 June 2001 made by the Issuer as last amended and restated on 11 March 2021 ("**Deed Poll**"). All words and expressions defined in the Terms and the Deed Poll have the same meanings in this notice.
- 2 This notice is given to holders of Securities in accordance with Condition 5D.3 of the Terms.

Background

- 3 As announced on 26 October 2022, the Issuer intends to proceed with the establishment of a non-operating holding company and to separate the Issuer's banking and certain non-banking businesses into two groups (the "**Restructure**"). The non-operating holding company is to be established by a scheme of arrangement under Part 5.1 of the Corporations Act 2001 (Cth) (the "**Scheme**"). The Scheme was approved at a meeting of shareholders of the Issuer on 15 December 2022 (the "**Scheme Meeting**").
- 4 The Terms contemplate the establishment of a non-operating holding company ("**NOHC**") for the ANZ group and allow the Issuer to amend the Terms, without the approval of holders, to substitute the NOHC

as issuer of ordinary shares on Conversion, where certain conditions are met. Those conditions were met with the approval of the Scheme at the Scheme Meeting.

- 5 The Issuer has amended the Terms to effect the substitution of ANZ Group Holdings Limited (ACN 659 510 791) ("**ANZ NOHC**") as the issuer of ordinary shares on Conversion, as set out in the schedule to this notice ("**Amended Terms**") with effect from the date that the Scheme is implemented, as described below.
- 6 The Australian Prudential Regulation Authority has given its approval of the Amended Terms and has confirmed that the Securities will continue to be eligible for inclusion as Tier 2 Capital of the Issuer.
- 7 The approval of holders is not required for the Restructure or to amend the Terms. A holder does not need to take any action in response to this notice.

Amendments to Securities Documents

- 8 In summary, where a Security is Converted under the Amended Terms:
 - (a) each Security (or part of a Security) that is being Converted in whole will be automatically transferred from the holder to ANZ NOHC; and
 - (b) each holder (or a nominee (as applicable)) of the Security or portion thereof being Converted will be issued a number of ANZ NOHC ordinary shares calculated in accordance with the Amended Terms. It is expected that ANZ NOHC ordinary shares will be listed on the ASX.
- 9 The amendments to the Terms do not affect the circumstances in which the Securities are required to be Converted or the other obligations of the Issuer in respect of the Securities.
- 10 The Amended Terms will take effect when the Restructure is implemented, which is expected to be on or about 3 January 2023. If the Scheme is not implemented the Amended Terms will not take effect.
- 11 Further information about the Restructure can be found on the Issuer's website: www.anz.com/schememeeting.
- 12 Any queries in relation to the matters set out in this notice should be directed to:

Head of Group Funding
Australia and New Zealand Banking Group Limited
ANZ Centre Melbourne
Level 9, 833 Collins Street
Docklands VIC 3008
Australia

Telephone: +61 3 8655 3860
Email: funding@anz.com

This notice is given by:

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED



Signed on behalf the Issuer:

By: Adrian Went
Attorney

SCHEDULE – AMENDED TERMS

CONDITIONS OF THE SECURITIES

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

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

[“Affected Subordinated Note” has the meaning given in Condition 5A.4.](#)

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

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

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

[“ANZ Ordinary Share” means a fully paid ordinary share in the capital of the Issuer.](#)

“Approved NOHC” means an entity which:

- (i) is a non-operating holding company within the meaning of the Banking Act (which term, as used herein, includes any amendments thereto, rules thereunder and any successor laws, amendments and rules); and
- (ii) has agreed for the benefit of Subordinated Noteholders:
 - a. to issue fully paid ordinary shares in its capital under all circumstances when the Issuer would otherwise have been required to Convert a Principal Amount of Subordinated Notes, subject to the same terms and conditions as set out in these Conditions (with all necessary modifications); and
 - (B)- to use all reasonable endeavours to procure quotation of Approved NOHC Ordinary Shares issued upon Conversion of relevant Subordinated Notes on the Australian Securities Exchange.

“Approved NOHC Ordinary Shares” means a fully paid ordinary share in the capital of the Approved NOHC.

[“Approved NOHC Substitution Date” means the date on which a notice given by the Issuer in accordance with Condition 5D.3 takes effect.](#)

“APRA” means the Australian Prudential Regulation Authority (or any successor organisation).

“ASX Listing Rules” means the listing rules of the Australian Securities Exchange as amended, varied or waived (whether in respect of the Issuer, [TopCo](#) or generally) from time to time.

“ASX Operating Rules” means the market operating rules of the Australian Securities Exchange as amended, varied or waived (whether in respect of the Issuer, [TopCo](#) or generally) from time to time.

“Austraclear” means Austraclear Ltd (ABN 94 002 060 773).

“Austraclear Participant” means a Participant as defined in the Austraclear Regulations.

“Austraclear Regulations” means the regulations known as the ‘Austraclear Regulations’ established by Austraclear (as amended from time to time), together with any subsidiary rules or procedures of Austraclear that govern the use of the Austraclear System.

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

“Australia” means the Commonwealth of Australia.

“Australian Dollars” and “A\$” means the lawful currency for the time being of Australia.

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

“Banking Act” means Banking Act 1959 of Australia.

“BBSW Page” has the meaning given in Condition 4.2.

“Broken Amount” means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement as it may be adjusted, in the case of the Subordinated Notes, in accordance with Condition 5A.4.

“Business Day” means:

- (i) for the purposes of Conditions 5A to 5D (inclusive), means a day which is a business day within the meaning of the ASX Listing Rules; and
- (ii) for all other purposes, means a day (other than a Saturday or Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in Sydney and in such other places as are specified as **“Additional Financial Centres”** in the Pricing Supplement.

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

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

- (iv) **“Preceding Business Day Convention”** means that the date is brought forward to the first preceding day that is a Business Day.

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

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

“Certificate” means a certificate confirming registered ownership of a Security.

“CHES” means the Clearing House Electronic Subregister System operated by the Australian Securities Exchange, or its affiliates or successors.

“Code” means the U.S. Internal Revenue Code of 1986.

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

“Control” has the meaning given in the Corporations Act.

“Controlled Entity” shall mean, in respect of the Issuer, an entity the Issuer Controls.

“Conversion” means, in relation to a Subordinated Note, the allotment and issue of Ordinary Shares and the termination of the holder’s rights in relation to the relevant Principal Amount of that Subordinated Note, in each case in accordance with Schedule A to these Conditions, and **“Convert”**, **“Converting”** and **“Converted”** have corresponding meanings.

“Conversion Number” has the meaning given to it in Schedule A.

“Corporations Act” means the Corporations Act 2001 (Cth) of Australia.

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

- (i) if **“Actual/360”** is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (ii) if **“Actual/365”** or **“Actual/Actual”** is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if **“Actual/365 (fixed)”** is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (iv) if **“Actual/Actual (ICMA)”** is specified in the Pricing Supplement:
 - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of:
 - (A) the number of days in such Determination Period; and
 - (B) the number of Determination Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:

- (A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

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

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

“Deed Poll” means the deed poll dated 20 June 2001 as last amended and restated on 11 March 2021 and as further amended and/or supplemented and/or restated as at the Issue Date of the Securities, executed by the Issuer, [and as further amended and restated on or about 16 December 2022 by the amending deed made by the Issuer and TopCo in favour of Holders.](#)

“Director” means a director of the Issuer.

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

“Equal Ranking Securities” means any present or future instrument that ranks in a winding-up of the Issuer as the most junior claim in the winding-up of the Issuer ranking senior to Junior Ranking Securities, and includes:

- (i) if on issue at the commencement of the winding-up of the Issuer, the Perpetual Capital Floating Rate Notes issued under the trust deed dated 30 October 1986 between the Issuer and Bankers Trustee Company Limited, as amended from time to time (except in so far as such amendment is inconsistent with such ranking); and
- (ii) any other instruments issued as Relevant Tier 2 Securities.

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

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

“FATCA” means:

- (i) Sections 1471-1474 of the Code (or any amended or successor version to the Code) and any current or future regulations or official interpretations thereof;

- (ii) any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of either such sections of the Code or analogous provisions of non-U.S. law; or
- (iii) any agreement pursuant to the implementation of paragraphs (i) or (ii) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

“FATCA Withholding” means any deduction or withholding made for or on account of FATCA.

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

“Fixed Coupon Amount” means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement as it may be adjusted, in the case of the Subordinated Notes, in accordance with Condition 5A.4.

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

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

“Foreign Holder” has the meaning given in Condition 5B.4.

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

“Implementation Deed” means the deed titled [“ANZ 2021 Debt Issuance Program Implementation Deed”](#) entered into between, amongst others, TopCo and the Issuer on or about 16 December 2022.

“Inability Event” shall mean the Issuer [or TopCo](#) 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 TopCo](#)) or any other reason from ~~Converting the Subordinated Notes~~ [performing any of their obligations necessary to effect the Conversion of any Subordinated Notes](#).

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

“Index Linked Interest Security” means a Security (other than a Subordinated Note) that bears interest at a rate calculated by reference to an Index.

“Index Linked Redemption Security” means a Security (other than a Subordinated Note) the Early or Final Redemption Amount in respect of which is calculated by reference to an Index.

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

“Instalment Amount” means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but

excluding) the next succeeding Interest Period Date during the relevant Interest Period, except that the last Interest Accrual Period ends on (and excludes) the Maturity Date or the date of any earlier redemption of a Security in accordance with the Conditions.

“Interest Amount” means the amount of interest payable in respect of a Security, and in the case of Fixed Rate Securities, also means the Fixed Coupon Amount or Broken Amount, as the case may be, so specified in the relevant Pricing Supplement and, in the case of the Subordinated Notes, as it may be adjusted in accordance with Condition 5A.4.

“Interest Basis” means the interest basis specified as such in the relevant Pricing Supplement.

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

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

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

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

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

“Issue Date” means the date of issue of the Securities as specified in or determined in accordance with the relevant Pricing Supplement.

“Issue Date VWAP” has the meaning given in Schedule A.

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

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

“Issuer Group” shall mean the Issuer and its Controlled Entities.

“Junior Ranking Securities” means any present or future instrument:

- (i) issued as Tier 1 Capital; and
- (ii) that by its terms is, or is expressed to be, subordinated in a winding-up of the Issuer to the claims of Subordinated Noteholders and other Equal Ranking Securities.

“Level 1”, “Level 2” and “Level 3” means those terms as defined by APRA from time to time.

“Margin” means the margin specified as such in the relevant Pricing Supplement.

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

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

“Maximum Redemption Amount” means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement.

“Medium Term Note” means an unsubordinated Note as more fully described in Condition 3.1.

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

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

“Minimum Redemption Amount” means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement.

“Non-Viability Determination” has the meaning given in Condition 5A.2.

“Non-Viability Trigger Event” has the meaning given in Condition 5A.2.

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

“Noteholder” means the Registered Holder of a Note.

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

“Optional Redemption Amount” means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement as it may be adjusted, in the case of the Subordinated Notes, in accordance with Condition 5A.4.

“Optional Redemption Date” means the date or dates specified as such in the relevant Pricing Supplement.

“Ordinary Share” shall mean a fully paid ordinary share in the capital of ~~the Issuer~~ [TopCo](#).

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

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

“Principal Amount” means the notional principal amount of each Security which will, unless indicated otherwise or, in the case of the Subordinated Notes, as provided in Condition 5A.4, be the same amount as the **“Specified Denomination”** of each Security so specified in the relevant Pricing Supplement.

“Programme” means the Australian Dollar Debt Issuance Programme of the Issuer providing for the issue of Notes by the Issuer.

“Publication Time” means the Relevant Time or such other time at which a Reference Rate customarily appears on the Relevant Screen Page.

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

“Rate Multiplier” means the rate multiplier specified as such in the relevant Pricing Supplement.

“Record Date” means, in the case of payments of interest or principal, the date specified in relevant Pricing Supplement, prior to the relevant payment date.

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

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

“Reference Rate Disruption Event” has the meaning given in Condition 4.2.

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

“Registered Holder” means:

- (i) in respect of Subordinated Notes only and only for so long as such Subordinated Notes are held in the Austraclear System, for the purposes of determining the person entitled to be issued Ordinary Shares (or, where Condition 5B.4 applies, the net proceeds of sale of such shares) and the amount of their entitlements, a person who is an Austraclear Participant; and
- (ii) otherwise, in relation to any Security, a person whose name is for the time being recorded in the Register to signify ownership of the Security. If the Security is owned jointly by more than one person, a Registered Holder includes a person whose name appears in the Register as a joint owner.

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

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

“Registry Services Agreement” means the Registry Services Agreement dated 4 August 2010 as amended from time to time, between the Registrar and the Issuer.

“Regulatory Capital” shall mean a Tier 1 Capital Security or a Tier 2 Capital Security.

“Regulatory Event” has the meaning given in Condition 5.2A.

[“Related Conversion Steps”](#) has the meaning given in clause 1(f) of Schedule A.

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

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

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

“Relevant Screen Page” means the page specified as such in the relevant Pricing Supplement.

“Relevant Securities” means each of the:

- (i) Relevant Tier 1 Securities; and
- (ii) Relevant Tier 2 Securities.

“Relevant Tier 1 Security” means, where a Non-Viability Trigger Event occurs, a Tier 1 Capital Security that, in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written-off upon the occurrence of that event.

“Relevant Tier 2 Security” means, where a Non-Viability Trigger Event occurs, a Tier 2 Capital Security that, in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written-off upon the occurrence of that event.

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

“Reserve Bank Act” means Reserve Bank Act 1959 of Australia.

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

“Security” means a Medium Term Note or Subordinated Note.

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

- (i) would be entitled to be admitted in the winding up of the Issuer; and
- (ii) are not in respect of Equal Ranking Securities or Junior Ranking Securities.

“Senior Executive” means:

- (i) those officers classified by the Issuer as "Group 1 Employees" or as "Senior Executives";
- (ii) all ANZ Country Heads; and
- (iii) a person who, for the time being is acting in any of the positions of persons identified in paragraphs (i) or (ii) above,

and a certificate given by a company secretary of the Issuer or an assistant company secretary of the Issuer stating that a person qualifies as a person within paragraph (i), (ii) or (iii) is conclusive evidence of that fact.

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

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

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

- (i) it is able to pay all its debts as and when they become due and payable; and
- (ii) its assets exceed its liabilities, in each case determined on an unconsolidated stand-alone basis.

“Specified Denomination” means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement as it may be adjusted, in the case of the Subordinated Notes, in accordance with Condition 5A.4.

“Subordinated Note” means a subordinated Note as more fully described in Condition 3.2.

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

“Successor Reference Rate” has the meaning given in Condition 4.2.

“Taxes” has the meaning given in Condition 8.1.

“Tier 1 Capital” means the Tier 1 capital of the Issuer (on a Level 1 basis) or the Issuer Group (on a Level 2 basis or, if applicable, a Level 3 basis) as defined by APRA from time to time.

“Tier 1 Capital Security” means a share, note or other security or instrument constituting Tier 1 Capital.

“Tier 2 Capital” means Tier 2 capital of the Issuer (on a Level 1 basis) or the Issuer Group (on a Level 2 basis or, if applicable, a Level 3 basis) as defined by APRA from time to time.

“Tier 2 Capital Security” means a note or other security or instrument constituting Tier 2 Capital.

“TopCo” means [ANZ Group Holdings Limited \(ACN 659 510 791\)](#).

“TopCo Shares” means [Ordinary Shares or any other shares in the capital of TopCo](#).

“Trigger Event Date” means the date (whether or not a Business Day) on which APRA notifies the Issuer of a Non-Viability Trigger Event as contemplated in Condition 5A.2.

“Trigger Event Notice” has the meaning given to it in Condition 5A.3.

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

“U.S.” means the United States.

“VWAP” has the meaning given in Schedule A.

“Written-Off”:

- (i) where Condition 5B applies, has the meaning given to it in Condition 5B.7; and
- (ii) where Condition 5C applies, has the meaning given to it in Condition 5C.2.

“Zero Coupon Security” means a Note (other than a Subordinated Note) that does not bear interest.

1.2 Interpretations

In these Conditions unless the contrary intention appears:

- (i) a reference to Conditions is a reference to these Conditions as supplemented, modified or altered by the relevant Pricing Supplement;
- (ii) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (iii) the singular includes the plural and vice versa;
- (iv) the word **“person”** incorporates a firm, body corporate, an unincorporated association or an authority;
- (v) a reference to a person incorporates references to the person’s executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (vi) a reference to any thing (including, without limitation, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively, to any two or more of them collectively and to each of them individually;
- (vii) unless otherwise specified to the contrary, any reference to a particular time is a reference to Sydney time;
- (viii) headings are inserted for convenience and do not affect the interpretation of these Conditions;
- (ix) all references to the issue or issuance of Securities are to the issue of Notes by the Issuer;
- (x) any provisions which refer to the requirements of APRA or any other prudential regulatory requirements will apply to the Issuer only if the Issuer is an entity, or the holding company of an entity, or is a direct or indirect subsidiary of an Approved NOHC, subject to regulation and supervision by APRA at the relevant time;
- (xi) any provisions which require APRA’s consent or approval will apply only if APRA requires that such consent or approval be given at the relevant time;
- (xii) any provisions in these Conditions requiring the prior approval of APRA for a particular course of action to be taken by the Issuer do not imply that APRA has given its consent or approval to the particular action as of the Issue Date of the applicable Security;
- (xiii) a reference to any term defined by APRA (including, without limitation, “Level 1”, “Level 2”, “Level 3”, “Tier 1 Capital” and “Tier 2 Capital”) shall, if that term is replaced or superseded in any of APRA’s applicable prudential regulatory requirements or standards, be taken to be a reference to the replacement or equivalent term;
- (xiv) the terms takeover bid, relevant interest and scheme of arrangement when used in these Conditions have the meaning given in the Corporations Act;
- (xv) for the avoidance of doubt, if Conversion under Condition 5B or Write-Off under Condition 5C of Subordinated Notes is to occur on a Trigger Event Date, then that Conversion or Write-Off must occur on that date notwithstanding that it may not be a Business Day;

- (xvi) a reference to a term defined by the ASX Listing Rules or the ASX Operating Rules shall, if that term is replaced in those rules, be taken to be a reference to the replacement term; and
- (xvii) in respect of Ordinary Shares, if the principal securities exchange on which the Ordinary Shares are listed becomes other than the Australian Securities Exchange, unless the context otherwise requires a reference to the Australian Securities Exchange shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, the 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).

2. FORM, DENOMINATION AND TITLE

2.1 Constitution

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

2.2 Title

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

2.3 Independent Obligations

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

2.4 Location of Register

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

2.5 Denomination

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

2.6 Austraclear

If Securities are lodged in the Austraclear System, the Registrar will enter Austraclear in the Register as the Registered Holder of those Securities. While those Securities remain in the Austraclear System, all dealings (including transfers and payments) in relation to those Securities within the Austraclear System will be governed by the regulations for the Austraclear System and need not comply with these Conditions to the extent of any inconsistency provided that, in respect of Subordinated Notes, the regulations of the Austraclear System do not override these Conditions if it would impact the eligibility of the Subordinated Notes as Tier 2 Capital.

2.7 Certificates

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

2.8 Acknowledgment

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

- (i) the Registrar's decision to act as the Registrar of the Security does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the Security but only indicates that such Security is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the Security; and
- (ii) the Registered Holder does not rely on any fact, matter or circumstance contrary to Condition 2.8(i).

2.9 Australian Securities Exchange Listing

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

3. STATUS

The Securities may be Medium Term Notes or Subordinated Notes as specified in the applicable Pricing Supplement.

The Securities are not a deposit liability or protected account for the purposes of the Banking Act and do not otherwise benefit from a priority under the Banking Act or other applicable law.

3.1 Medium Term Notes

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

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

The Medium Term Notes are not a deposit liability or protected account for the purposes of the Banking Act and do not otherwise benefit from a priority under the Banking Act or other applicable law.

3.2 Subordinated Notes

The Subordinated Notes constitute direct and unsecured subordinated obligations of the Issuer and, unless otherwise specified in the applicable Pricing Supplement and subject to Conditions 5A to 5C (inclusive), rank *pari passu* among themselves and with Equal Ranking Securities. In the event of the winding-up of the Issuer (see Condition 11 (Subordination)) and prior to the commencement of the winding-up of the Issuer (see Condition 4.10), the principal amount of, any interest on, and any other payments, including additional amounts, in respect of the Subordinated Notes will rank behind all claims of Senior Creditors and subject to Conditions 5A to 5C (inclusive), *pari passu* with Equal Ranking Securities and ahead of Junior Ranking Securities.

Neither the Issuer nor a Subordinated Noteholder has any contractual right to set off any sum at any time due and payable to a Subordinated Noteholder or the Issuer (as applicable) under or in relation to the Subordinated Notes against amounts owing by the Subordinated Noteholder to the Issuer or by the Issuer to the Subordinated Noteholder (as applicable).

The Subordinated Notes do not limit the amount of liabilities ranking senior to the Subordinated Notes that may be hereafter incurred or assumed by the Issuer. The Subordinated Notes are not a deposit liability of the Issuer or protected account for the purposes of the Banking Act and do not otherwise benefit from a priority under the Banking Act or other applicable law.

4. INTEREST AND OTHER CALCULATIONS

4.1 Interest on Fixed Rate Securities

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

4.2 Interest on Floating Rate Securities and Index Linked Interest Securities

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

Screen Rate/Reference Bank Determination (non BBSW)

- (x) If Screen Rate Determination is specified in the Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Rate of Interest specified in the Pricing Supplement is a rate other than “BBSW”, the Rate of Interest for each Interest Accrual Period shall be calculated (as determined by the Calculation Agent) on the following basis:
 - (I) if the Reference Rate is a composite quotation or a quotation customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page at the then prevailing Publication Time on the relevant Interest Determination Date; or
 - (II) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page at the then prevailing Publication Time on the relevant Interest Determination Date;
- (y) if paragraph (x)(I) above applies and no Reference Rate appears on the Relevant Screen Page at the then prevailing Publication Time on the Interest Determination Date or if sub-paragraph (x)(II) applies and fewer than two Reference Rates appear on the Relevant Screen Page at the then prevailing Publication Time on the Interest Determination Date or if, in either case, the Relevant Screen Page is unavailable, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Reference Rates that each of the Reference Banks is quoting (or such of them, being at least two, as are so quoting) to leading banks in the Relevant Financial Centre at the Publication Time on the Interest Determination Date, as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting the Reference Rate, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Reference Rate) that at least two out of five leading banks selected by the Calculation Agent (after consultation with the Issuer) in the Relevant Financial Centre, are quoting at or about the then prevailing Publication Time for a period equivalent to the relative Interest Accrual Period to leading banks carrying on business in the Relevant Financial Centre; except that, if fewer than two of such banks are so quoting to such leading banks, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (in the case of the Medium Term Notes only, after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

Screen Rate Determination - BBSW

- (aa) If Screen Rate Determination is specified in the Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the Pricing Supplement is “BBSW”, the Reference Rate for each Interest Accrual Period shall be the rate (expressed as an interest rate per annum and rounded up, if necessary, to the fourth decimal place) for prime bank eligible securities having a tenor approximately equal to the relevant Interest Accrual Period which

is designated as the “AVG MID” on the Thomson Reuters Screen “BBSW” Page (“**BBSW Page**”) at the then prevailing Publication Time;

- (bb) If the Reference Rate does not appear on the BBSW Page at the then prevailing Publication Time, the Rate of Interest shall be determined in good faith by the Calculation Agent on the Interest Determination Date, having regard, to the extent possible, to the rates otherwise bid and offered at or around the time which is 15 minutes after the then prevailing Publication Time on the Interest Determination Date for prime bank eligible securities having a tenor approximately equal to the relevant Interest Accrual Period; and if such rates are not available, the rates otherwise bid or offered at or around the time which is 15 minutes after the then prevailing Publication Time on the Interest Determination Date for funds having a tenor approximately equal to the Interest Accrual Period; and
 - (cc) Subject to Condition 4.2(iii), if the Calculation Agent is unable to determine the Rate of Interest in accordance with paragraph (bb), the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (in the case of the Medium Term Notes only, after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).
- (iii) Any reference in these Conditions or in a Pricing Supplement to a screen page on Thomson Reuters or on Bloomberg or other service means the display page so designated on the Thomson Reuters Monitor Money Rates Service or the Bloomberg Professional® service or such other service (or any successor service of any of these services), as the case may be, or such other page as may replace such page for the purpose of displaying the relevant rate.
- (iv) If the Calculation Agent determines that the Reference Rate has been affected by a Reference Rate Disruption Event, then the following provisions shall apply:
- (a) the Calculation Agent shall use as the “Reference Rate” such Successor Reference Rate and such terms and other methodology described in paragraph (b) below that it has determined;
 - (b) if the Calculation Agent has determined a Successor Reference Rate in accordance with paragraph (a) above, the Calculation Agent may determine the Business Day Convention, the definitions of Business Day, Day Count Fraction, Publication Time, Relevant Screen Page, Relevant Time, Reference Rate and Interest Determination Date and any other relevant methodology for calculating such Successor Reference Rate, including any adjustment factor it determines is needed to make such Successor Reference Rate comparable to the Reference Rate, subject to APRA’s prior written approval in the case of Subordinated Notes; and
 - (c) if, in respect of an Interest Period or an Interest Accrual Period, the Calculation Agent is unable to determine a Successor Reference Rate in accordance with paragraphs (a) and (b) above, the Reference Rate for:
 - (A) that Interest Period or Interest Accrual Period shall be the Reference Rate determined on the previous Interest Determination Date; and
 - (B) any subsequent Interest Periods or Interest Accrual Periods shall be determined in accordance with paragraphs (a) and (b) above and, if necessary, this paragraph (c).

In the case of Subordinated Notes only, any Successor Reference Rate determined by the Calculation Agent in accordance with paragraph (a) above, and any terms and other relevant methodology for calculating such Successor Reference Rate (including any adjustment factor to the Successor Reference Rate) determined by the Calculation Agent in accordance with paragraph (b) above, will be subject to the prior written approval of APRA having been obtained in each case.

Subordinated Noteholders should note that APRA's approval may not be given for any Successor Reference Rate, and any terms and other relevant methodology for calculating such Successor Reference Rate (including any adjustment factor to the Successor Reference Rate) it considers to have the effect of increasing the Interest Rate contrary to applicable prudential standards.

- (v) In making its determinations in accordance with Condition 4.2(iv), the Calculation Agent:
- (a) shall act in good faith and in a commercially reasonable manner; and
 - (b) may consult with such sources of market practice as it considers appropriate,
- but otherwise may make such determination in its discretion (subject, in the case of Subordinated Notes only, to the requirement for APRA's prior written approval as specified in Condition 4.2(iv) above).
- (vi) For the purposes of Condition 4.2(iv):
- (a) **"Reference Rate Disruption Event"** means that:
 - (A) the Reference Rate has been discontinued or otherwise ceased to be calculated or administered; or
 - (B) the Reference Rate is no longer generally accepted in the Australian market as a reference rate appropriate to floating rate debt securities of a tenor and interest period comparable to that of the Floating Rate Security; and
 - (b) **"Successor Reference Rate"** means a rate that is generally accepted in the Australian market as the successor to the Reference Rate, or if there is no such rate, a reference rate appropriate to floating rate debt securities of a tenor and interest period most comparable to that of the Floating Rate Security.
- (vii) *Rate of Interest for Index Linked Interest Securities:* The Rate of Interest in respect of Index Linked Interest Securities for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement and interest will accrue by reference to an Index or formula as specified in the relevant Pricing Supplement.
- (viii) *Linear Interpolation:* If the Pricing Supplement states that "Linear Interpolation" applies to an Interest Period, the Calculation Agent must determine the Rate of Interest for that Interest Period using straight line interpolation by reference to two rates determined using the Screen Rate Determination or other floating rates, in each case, as specified in the Pricing Supplement. The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement). The second rate must be determined as if the Interest Period were the period of time for which

rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

4.3 Zero Coupon Securities

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

4.4 Accrual of Interest

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

4.5 Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and rounding

- (i) If any Margin or Rate Multiplier is specified in the Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with 4.2 above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Early, Final or Optional Redemption Amount is specified in the Pricing Supplement, then any Rate of Interest, Instalment Amount or Early, Final or Optional Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) Subject to the requirements of applicable law and, where the Securities are lodged in the Austraclear System, the Austraclear Regulations, for the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven decimal places (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest cent (with one half cent being rounded up).
- (iv) The Pricing Supplement in respect of any Subordinated Notes must not specify a Rate Multiplier, Maximum Rate of Interest, Minimum Rate of Interest or Instalment Amount.

4.6 Calculations

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

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

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, the Calculation Agent shall:

- (a) determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Securities for the relevant Interest Accrual Period;
- (b) calculate the Final Redemption Amount, Early Redemption Amount, Instalment Amount or Optional Redemption Amount;
- (c) obtain such quotation or make such determination or calculation, as the case may be; and
- (d) cause:
 - (i) the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date; and
 - (ii) if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Instalment Amount or Optional Redemption Amount,

to be notified to:

- (A) the Issuer;
- (B) the Registrar (which will then notify the Registered Holders of the calculation as required by the Issuer to the address of the Registered Holders recorded in the Register);
- (C) any other Calculation Agent appointed in respect of the Securities that is to make a further calculation upon receipt of such information; and
- (D) if the Securities are listed on a stock exchange and the rules of such exchange so require, such exchange,

as soon as possible after their determination but in no event later than:

- (x) the commencement of the relevant Interest Accrual Period, if determined prior to such time in the case of notification to such exchange of a Rate of Interest and Interest Amount; or
- (z) in all other cases, the fourth Business Day after such determination.

Where any Interest Payment Date or Interest Accrual Period is subject to adjustment pursuant to the application of a Business Day Convention, the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Accrual Period.

If the Securities become due and payable under Condition 10 (Events of Default), the accrued interest and the Rate of Interest payable in respect of the Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

4.8 Calculation Agent and Reference Banks

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

4.9 Certificates to be final

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

4.10 Conditions of Payment – Subordinated Notes

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

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

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

A certificate signed by the Issuer, two 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 on or in respect of the Subordinated Notes.

5. REDEMPTION, PURCHASE AND OPTIONS

5.1 Redemption by Instalments and Final Redemption

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or unless the relevant Instalment Date (being one of the dates so specified in the Pricing Supplement) is extended pursuant to the Conditions or any provision of the relevant Pricing Supplement, each Security that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the Pricing Supplement. The outstanding Principal Amount of each such Security shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the Principal Amount of such Security, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount. A Subordinated Note will not provide for redemption by instalments.
- (ii) Unless previously redeemed, purchased and cancelled as provided below or Written-Off or Converted as provided in Condition 5A or its maturity is extended pursuant to the Conditions or any provision of the relevant Pricing Supplement, each Security shall be finally redeemed on the Maturity Date specified in the Pricing Supplement at its Final Redemption Amount or, in the case of a Security falling within paragraph (i) above, its final Instalment Amount.

5.2 Redemption for taxation reasons

If, as a result of any change in or amendment to the laws or regulations of Australia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after the Issue Date (and in respect of any Subordinated Note, which the Issuer did not expect as at the Issue Date of that Subordinated Note) of any Security (as specified in the Pricing Supplement):

- (i) in the case of any Note, the Issuer has or will become obliged to pay any additional amounts as provided in Condition 8 (Taxation);
- (ii) in the case of any Subordinated Note only and if specified in the Pricing Supplement, the Issuer or the consolidated tax group of which it is a member would be exposed to more than a *de minimis* amount of other taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties and expenses in connection with them, assessments or other governmental charges in connection with any Security; or
- (iii) in the case of any Subordinated Note only and if specified in the Pricing Supplement, the Issuer determines that any interest payable on any Security is not, or may not be, allowed as a deduction for the purposes of Australian income tax,

the Issuer may at its option, at any time (if the Security is neither a Floating Rate Security nor an Index Linked Interest Security) or on any Interest Payment Date (in the case of Floating Rate Securities or Index Linked Interest Securities) and subject to Condition 5.8 in the case of any Subordinated Note, on giving not more than 60 nor less than 30 days' notice to the Registered Holders of the relevant Series (which notice shall be irrevocable) redeem all, but not some only, of the Securities of the relevant Series at their Early Redemption Amount together with interest accrued to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due. Prior to the publication of any notice of redemption pursuant to this Condition 5.2, the Issuer shall deliver to the Registrar a certificate signed by two persons each of whom is either a Director, a Senior

Executive or an authorised representative (or equivalent status) of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

5.2A Redemption of Subordinated Notes for regulatory reasons

If specified in the relevant Pricing Supplement, if a Regulatory Event occurs, the Issuer may at its option, at any time (if the Subordinated Note is not a Floating Rate Security) or on any Interest Payment Date (in the case of a Subordinated Note that is a Floating Rate Security) and subject to Condition 5.8 on giving not more than 60 nor less than 30 days' notice to the Subordinated Noteholders of the relevant Series (which notice shall be irrevocable) redeem all, but not some only, of the Subordinated Notes of the relevant Series at their Early Redemption Amount together with interest accrued to the date fixed for redemption. Prior to the publication of any notice of redemption pursuant to this Condition 5.2A, the Issuer shall deliver to the Registrar a certificate signed by two persons each of whom is either a Director, a Senior Executive or an authorised representative (or equivalent status) of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

For the purposes of this Condition, "*Regulatory Event*" means the receipt by the directors of the Issuer of:

- (i) an opinion from a reputable legal counsel that as a result of any amendment to, clarification of or change (including any announcement of a change that has been or will be introduced) in, any law or regulation of Australia, or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, which amendment, clarification or change is effective, or pronouncement, action or decision is announced, after the Issue Date; or
- (ii) an official written statement from APRA,

that, in each case, the Issuer is not or will not be entitled to treat all Subordinated Notes of a Series as Tier 2 Capital, provided that, in each case, on the Issue Date of the Subordinated Notes, the Issuer did not expect that matters giving rise to the Regulatory Event would occur.

5.3 Early Redemption of Zero Coupon Securities

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Security that does not bear interest prior to the Maturity Date, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Security pursuant to Condition 5.2, 5.4 or 5.5 or upon it becoming due and payable as provided in Condition 10 (Events of Default), shall be the Amortised Face Amount (calculated as provided below) of such Security unless otherwise specified in the Pricing Supplement.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the "**Amortised Face Amount**" of any such Security shall be the scheduled Final Redemption Amount of such Security on the Maturity Date discounted to the date of its early redemption at a rate per annum (expressed as a percentage) equal to the "**Amortisation Yield**" (which, if none is set out in the Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the Issue Price of the Securities if such Securities were discounted back from the Maturity Date to the relevant Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction set out in the Pricing Supplement.
- (iii) If the Early Redemption Amount payable in respect of any such Security upon its redemption pursuant to Condition 5.2, 5.4 or 5.5 or upon it becoming due and payable as provided in Condition 10 (Events of Default), is not paid when due, the Early Redemption Amount due and payable in respect of such Security shall be the Amortised Face Amount of such Security as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which

the Security becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this subparagraph shall continue to be made (after, as well as before, judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Security on the Maturity Date together with any interest that may accrue in accordance with Condition 4.4.

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

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

If a Call Option is included in the Pricing Supplement and subject to Condition 5.8 in the case of any Subordinated Note, the Issuer may, on giving not less than five or more than 30 days' irrevocable notice (subject to such other notice period as may be specified in the Pricing Supplement under "Option Exercise Date") to the Registered Holders redeem or exercise any Issuer's option (as may be described in the Pricing Supplement) in relation to all or, if so provided, some of the Securities on any Optional Redemption Date (which, in the case of a Subordinated Note, may not be before the fifth anniversary of the Issue Date of that Subordinated Note). Any such redemption of Securities shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise of the Issuer's option shall just relate to Securities of a Principal Amount at least equal to the Minimum Redemption Amount to be redeemed specified in the Pricing Supplement and no greater than the Maximum Redemption Amount to be redeemed specified in the Pricing Supplement.

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

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

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

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

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

A Put Option may not be specified in the Pricing Supplement in respect of Subordinated Notes.

5.6 Purchases

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

The Issuer and:

- (i) in the case of the Subordinated Notes, any of its Related Entities; and
- (ii) in any other case, any of its subsidiaries,

may, to the extent permitted by applicable laws and regulations and subject to Condition 5.8 in the case of any Subordinated Note, at any time purchase Securities in the open market or otherwise. Securities purchased by the Issuer, any of its Related Entities or any of its subsidiaries may be surrendered by the purchaser through the Issuer to the Registrar for cancellation or, may be held or resold, in each case at the option of the Issuer, the relevant Related Entity or the relevant subsidiary. In the event that Securities are purchased by the Issuer, any of its Related Entities or any of its subsidiaries but not cancelled the Issuer, the relevant Related Entity or the relevant subsidiary will relinquish any voting rights in respect of those purchased Securities.

5.7 Cancellation

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

5.8 Consent of APRA

Notwithstanding anything to the contrary in this Condition 5, the Issuer may not (i) redeem any Subordinated Notes under Conditions 5.2, 5.2A or 5.4 above or (ii) prior to the Maturity Date purchase, or procure that any of its Related Entities purchase, any Subordinated Notes under Condition 5.6 above without the prior written approval of APRA. In addition, the prior written approval of APRA is required to modify, abrogate, amend, waive, vary or compromise the terms of any Series of Subordinated Notes where such action may affect the eligibility of such Subordinated Notes as Tier 2 Capital.

Subordinated Noteholders should not expect that APRA's approval will be given for any redemption or purchase of Subordinated Notes.

5.9 Conditions to redemption for Subordinated Notes

Without limiting Condition 5.8, the Issuer will not be permitted to redeem any Subordinated Note unless the Subordinated Note is replaced concurrently or beforehand with Regulatory Capital of the same or better quality and the replacement of the Subordinated Note is done under conditions that are sustainable for the Issuer's income capacity or APRA is satisfied that the Issuer's capital position at Level 1, Level 2 and, if applicable, Level 3 is well above its minimum capital requirements after the Issuer elects to redeem the Subordinated Note.

5A. Conversion or Write-Off of Subordinated Notes on Non-Viability Trigger Event

5A.1 Application to Subordinated Notes only

Conditions 5A, 5B and 5C apply only to Subordinated Notes. Schedule A to these Conditions (including the defined terms therein) shall be deemed to form part of, and be incorporated in, Condition 5B.

5A.2 Non-Viability Trigger Event

A “**Non-Viability Trigger Event**” means the earlier of:

- (i) the issuance to the Issuer of a written determination from APRA that conversion or write-off of Relevant Securities is necessary because, without it, APRA considers that the Issuer would become non-viable; or
- (ii) a determination by APRA, notified to the Issuer in writing, that without a public sector injection of capital, or equivalent support, the Issuer would become non-viable,

each such determination being a “**Non-Viability Determination**”.

5A.3 Conversion or Write-Off of Subordinated Notes on Trigger Event Date

If a Non-Viability Trigger Event occurs:

- (i) on the Trigger Event Date, subject only to Condition 5B.5, such Principal Amount of the Subordinated Notes will immediately Convert or be Written-Off (whichever is applicable as specified in the Pricing Supplement) as is required by the Non-Viability Determination provided that:
 - (a) where the Non-Viability Trigger Event occurs under Condition 5A.2(i) and such Non-Viability Determination does not require all Relevant Securities to be converted into Ordinary Shares or written-off, such Principal Amount of the Subordinated Notes shall Convert or be Written-Off (whichever is applicable as specified in the Pricing Supplement) as is sufficient (determined by the Issuer in accordance with Condition 5A.3(ii)) to satisfy APRA that the Issuer is viable without further conversion or write-off; and
 - (b) where the Non-Viability Trigger Event occurs under Condition 5A.2(ii), all the Principal Amount of the Subordinated Notes will immediately Convert or be Written-Off (whichever is applicable as specified in the Pricing Supplement).
- (ii) the Issuer will determine the Principal Amount of Subordinated Notes which must be Converted or Written-Off (as applicable) in accordance with Condition 5A.3(i)(a), on the following basis:
 - (a) first, convert into Ordinary Shares or write-off all Relevant Tier 1 Securities; and
 - (b) secondly, if conversion into Ordinary Shares or write-off of all Relevant Tier 1 Securities is not sufficient to satisfy the requirements of Condition 5A.3(i)(a) (and provided that as a result of the conversion or write-off of Relevant Tier 1 Capital Securities APRA has not withdrawn the Non-Viability Determination), Convert or Write-Off (as applicable) a Principal Amount of Subordinated Notes and convert into Ordinary Shares or write-off a number or principal amount of other Relevant Tier 2 Securities on an approximately pro-rata basis or in a manner that is otherwise, in the opinion of the Issuer, fair and reasonable (subject to such adjustment as the Issuer may determine to take into account the effect on marketable parcels and the need to round to whole numbers the number of Ordinary Shares and the authorised denominations of the Principal Amount of any Subordinated Note or the number or principal amount of other Relevant Tier

2 Securities remaining on issue, and the need to effect the conversion immediately) and, for the purposes of this Condition 5A.3(ii)(b), where the specified currency of the principal amount of Relevant Tier 2 Securities is not the same for all Relevant Tier 2 Securities, the Issuer may treat them as if converted into a single currency of the Issuer's choice at such rate of exchange as the Issuer in good faith considers reasonable,

provided that such determination does not impede or delay the immediate Conversion or Write-Off (as applicable) of the relevant Principal Amount of Subordinated Notes;

- (iii) on the Trigger Event Date, the Issuer shall determine the Subordinated Notes or portions thereof as to which the Conversion or Write-Off (as applicable) is to take effect and in making that determination may make any decisions with respect to the identity of the Subordinated Noteholders at that time as may be necessary or desirable to ensure Conversion or Write-off (as applicable) occurs in an orderly manner, including disregarding any transfers of Subordinated Notes that have not been settled or registered at that time provided that such determination does not impede or delay the immediate Conversion or Write-Off (as applicable) of the relevant Principal Amount of Subordinated Notes;
- (iv) the Issuer must give notice of its determination pursuant to Condition 5A.3(iii) (a **"Trigger Event Notice"**) as soon as practicable to the Subordinated Noteholders, which must specify:
 - (a) the Trigger Event Date;
 - (b) the Principal Amount of the Subordinated Notes Converted or Written-Off (as applicable); and
 - (c) the relevant number or principal amount of other Relevant Securities converted or written-off;
- (v) none of the following events shall prevent, impede or delay the Conversion or Write-Off (as applicable) of Subordinated Notes as required by Condition 5A.3(i):
 - (a) any failure or delay in the conversion or write-off of other Relevant Securities;
 - (b) any failure or delay in giving a Trigger Event Notice;
 - (c) any failure or delay by a Subordinated Noteholder or any other party in complying with the provisions of Condition 5A.4;
 - (d) any requirement to select or adjust the number or Principal Amount of Subordinated Notes to be Converted or Written-Off (as applicable) in accordance with Condition 5A.3(ii)(b) or 5A.3(iii); and
 - (e) in the case of Conversion only, any failure or delay in quotation of Ordinary Shares to be issued on Conversion.

If a Non-Viability Determination takes effect, the Issuer must perform the obligations in respect of the determination immediately on the day it is received by the Issuer, whether or not such day is a Business Day.

5A.4 Conversion or Write-Off of a whole or of a portion of a Subordinated Note

Subject to Condition 5D.2(iii)(b), in respect of any Subordinated Note which is to be Converted or Written-Off:

- (i) the Issuer shall notify the Registrar of the Principal Amount of such Subordinated Note that ~~has been~~ is Converted or Written-Off (whether in whole or in part) and instruct the

Registrar to reflect this Conversion or Write-Off (as applicable) in the Register so that the Principal Amount of such Subordinated Note is reduced, in the case of a Subordinated Note Converted or Written-Off in whole, to zero, or, in the case of a Subordinated Note which is Converted or Written-Off in part, as described in Condition 5A.4(ii) below ~~to an amount equal to the non-Converted or non-Written-Off (as applicable) portion of the Principal Amount of such Subordinated Note;~~

(ii) in the case of a Subordinated Note which is Converted or Written-Off only in part:

(a) the Principal Amount of the Subordinated Note will be reduced to an amount equal to the non-Converted or non-Written-Off portion of the Principal Amount of such Subordinated Note;

(b) TopCo will be taken to hold (as a result of the transfer in accordance with the Schedule to these Conditions) a new Subordinated Note with a principal amount equal to the Converted or Written-Off portion of the Principal Amount of the original Subordinated Note, and on terms otherwise identical to the terms of such Subordinated Note (the "Affected Subordinated Note");

(#)

~~(a)~~(c) where the date of the Conversion or Write-off is not an Interest Payment Date, the amount of interest payable in respect of that Subordinated Note on each Interest Payment Date falling after that date will be reduced and calculated on the Principal Amount of that Subordinated Note as reduced on that date;

~~(b)~~(d) for the purposes of any interest calculation, the Interest Amount, the Fixed Coupon Amount, the Broken Amount and any related amount in respect of that Subordinated Note shall be reduced in the same proportion as the Principal Amount Converted or Written-Off in respect of that Subordinated Note bears to the Principal Amount of that Subordinated Note before such Conversion or Write-Off;

~~(e)~~(e) the Early Redemption Amount, the Final Redemption Amount, the Optional Redemption Amount, the Specified Denomination and Principal Amount or any related amount shall be reduced in the same proportion as the Principal Amount Converted or Written-Off in respect of that Subordinated Note bears to the Principal Amount of that Subordinated Note before such Conversion or Write-Off; and

(iii) if a Certificate has been issued to the relevant Subordinated Noteholder in respect of such Subordinated Note, then, if the Issuer so requires, such Subordinated Noteholder shall surrender such Certificate to the Issuer (or, if the Issuer so directs, to the Registrar) and, in the case of a Subordinated Note which is Converted or Written-Off only in part, the Issuer shall deliver to the Subordinated Noteholder, a new Certificate for a Subordinated Note with a Principal Amount equal to the non-Converted or non-Written-Off (as applicable) portion of the Principal Amount of such Subordinated Note.

5B. Conversion of Subordinated Notes

5B.1 Conversion of Subordinated Notes on Trigger Event Date

Unless "Write-Off – Applicable" is specified in the relevant Pricing Supplement, Condition 5B shall apply to the Subordinated Notes and, notwithstanding any other provision in these Conditions, on the Trigger Event Date the relevant Principal Amount (as determined under Condition 5A.3) of the Subordinated Notes will Convert immediately and irrevocably.

On and from the Trigger Event Date, subject to Conditions 5B.5 and 5B.6(iii)(c), the Issuer shall treat any Subordinated Noteholder of any Subordinated Note or portion thereof which is required to be Converted as the holder of the relevant number of Ordinary Shares and will

take all such steps, including updating any register, required to record the Conversion and the issuance of such Ordinary Shares.

5B.2 Provision of information

Where a Principal Amount of Subordinated Notes is required to be Converted under Condition 5B, a Subordinated Noteholder of Subordinated Notes or portion thereof that are subject to Conversion wishing to receive Ordinary Shares must, no later than the Trigger Event Date (or, in the case where Condition 5B.4(vi) applies, within 30 days of the date on which Ordinary Shares are issued upon such Conversion), have provided to the Issuer:

- (i) its name and address (or the name and address of any person in whose name it directs the Ordinary Shares to be issued) for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares;
- (ii) the security account details of such Subordinated Noteholder in CHESS or such other account to which the Ordinary Shares may be credited; and
- (iii) such other information as is reasonably requested by the Issuer for the purposes of enabling it to issue the Conversion Number of Ordinary Shares to such Subordinated Noteholder,

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

5B.3 Failure to Convert

Subject to Condition 5B.4 and Condition 5B.5, if, in respect of a Conversion of Subordinated Notes, the Issuer or TopCo fails to issue, -on the Trigger Event Date, the Conversion Number of Ordinary Shares in respect of the relevant Principal Amount of such Subordinated Notes to, or in accordance with the instructions of, the relevant Subordinated Noteholder on the Trigger Event Date or any other nominee where Condition 5B.4 applies, the Principal Amount of such Subordinated Notes which would otherwise be subject to Conversion shall remain on issue and outstanding until:

- (i) the Ordinary Shares are issued to, or in accordance with the instructions of, the Subordinated Noteholder of such Subordinated Notes; or
- (ii) such Subordinated Notes are Written-Off in accordance with these Conditions;

provided that the sole right of the Subordinated Noteholder in respect of Subordinated Notes or portion thereof that are subject to Conversion is its right to be issued Ordinary Shares upon Conversion (subject to its compliance with Condition 5B.2 or to receive the proceeds from their sale pursuant to Condition 5B.4, as applicable) and the remedy of such Subordinated Noteholder in respect of the ~~Issuer's~~ TopCo's failure to issue the Ordinary Shares is limited (subject always to Condition 5B.5) to seeking an order for specific performance of ~~the Issuer's~~ TopCo's obligation to issue the Ordinary Shares to the Subordinated Noteholder or where Condition 5B.4 applies to the nominee and to receive such proceeds of sale, in each case, in accordance with the terms of the Subordinated Notes. This Condition 5B.3 does not affect the obligation of ~~the Issuer~~ TopCo to issue the Ordinary Shares when required in accordance with these Conditions.

5B.4 Issue to nominee

If, in respect of a Subordinated Note and a Subordinated Noteholder of that Subordinated Note, the Subordinated Note or portion thereof is required to be Converted and:

- (i) the Subordinated 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 prior to the Trigger Event Date;

- (ii) the Subordinated Notes are held by a Subordinated Noteholder whose address in the register is a place outside Australia or who the Issuer otherwise believes may not be a resident of Australia (a “**Foreign Holder**”);
- (iii) for any reason (whether or not due to the fault of the Subordinated Noteholder) the Issuer has not received the information required by Condition 5B.2 prior to the Trigger Event Date and the lack of such information would prevent ~~the Issuer~~ TopCo from issuing the Ordinary Shares to the Subordinated Noteholder on the Trigger Event Date; or
- (iv) a FATCA Withholding is required to be made in respect of the Ordinary Shares issued on Conversion,

then, on the Trigger Event Date:

- (v) where Condition 5B.4(i), 5B.4(ii) or 5B.4(iv) applies, ~~the Issuer~~ TopCo shall issue the Ordinary Shares to the Subordinated Noteholder only to the extent (if at all) that:
 - (a) where Condition 5B.4(i) applies, the Subordinated Noteholder has notified the Issuer that it wishes to receive them;
 - (b) where Condition 5B.4(ii) applies, the Issuer is satisfied that the laws of both Australia and the Foreign Holder’s country of residence permit the issue of 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
 - (c) where Condition 5B.4(iv) applies, the issue is net of the FATCA Withholding;

and, to the extent ~~the Issuer~~ TopCo is not obliged to issue Ordinary Shares to the Subordinated Noteholder, ~~the Issuer~~ TopCo will issue the balance of the Ordinary Shares to the nominee in accordance with Condition 5B.4(vi); and

- (vi) otherwise, subject to applicable law, ~~the Issuer~~ TopCo will issue the balance of Ordinary Shares in respect of the Subordinated Noteholder to a competent nominee (which may not be the Issuer or any of its Related Entities) and will promptly notify such Subordinated Noteholder of the name of and contact information for the nominee and the number of Ordinary Shares issued to the nominee on its behalf and, subject to applicable law and:
 - (a) subject to Condition 5B.4(vi)(b), the nominee will as soon as reasonably possible and no later than 35 days after issue of the Ordinary Shares sell those Ordinary Shares and pay a cash amount equal to the net proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, to the Subordinated Noteholder;
 - (b) where Condition 5B.4(iii) applies, the nominee will hold such Ordinary Shares and will transfer Ordinary Shares to such Subordinated Noteholder promptly after such Subordinated Noteholder provides the nominee with the information required to be provided by such Subordinated Noteholder under Condition 5B.2 (as if a reference in Condition 5B.2 to the Issuer is a reference to the nominee and a reference to the issue of Ordinary Shares is a reference to the transfer of Ordinary Shares) but only where such information is provided to the nominee within 30 days of the date on which Ordinary Shares are issued to the nominee upon Conversion of such Subordinated Note and failing which the nominee will sell the Ordinary Shares and pay the proceeds to such Subordinated Noteholder in accordance with Condition 5B.4(vi)(a); and

- (c) where Condition 5B.4(iv) applies, the nominee shall deal with Ordinary Shares the subject of a FATCA Withholding and any proceeds of their disposal in accordance with FATCA;
- (vii) nothing in this Condition 5B.4 shall affect the Conversion of the Subordinated Notes of a Subordinated Noteholder who is not a person to which any of Condition 5B.4(i) to 5B.4(iv) (inclusive) applies; and
- (viii) for the purposes of this Condition 5B.4, none of the Issuer, [TopCo](#) or the nominee owes any obligations or duties to the Subordinated Noteholders in relation to the price at which Ordinary Shares are sold or has any liability for any loss suffered by a Subordinated Noteholder as a result of the sale of Ordinary Shares.

5B.5 Write-Off of Subordinated Notes if Conversion is not effected within 5 Business Days after a Trigger Event Date

Notwithstanding any other provision of Condition 5B and provided that "Write-Off – Applicable" is not specified in the relevant Pricing Supplement, where Subordinated Notes are required to be Converted on the Trigger Event Date and Conversion of the relevant Principal Amount of the Subordinated Notes that are subject to Conversion has not been effected within five Business Days after the relevant Trigger Event Date for any reason (including an Inability Event):

- (i) the relevant Principal Amount of each Subordinated Note which, but for this Condition 5B.5, would be Converted, will not be Converted and instead will be Written-Off with effect on and from the Trigger Event Date; and
- (ii) the Issuer shall notify the Subordinated Noteholders -as promptly as practically possible that Conversion of the relevant Principal Amount of the Subordinated Notes has not occurred and that such Principal Amount of the Subordinated Notes has been Written-Off.

5B.6 Subordinated Noteholder acknowledgements

Each Subordinated Noteholder irrevocably:

- (i) consents to becoming a member of ~~the Issuer~~ [TopCo](#) upon the Conversion of the relevant Principal Amount of Subordinated Notes as required by this Condition 5B and agrees to be bound by the constitution of ~~the Issuer~~ [TopCo](#), in each case in respect of the Ordinary Shares issued to such Subordinated Noteholder on Conversion;
- (ii) acknowledges and agrees that it is obliged to accept Ordinary Shares upon a Conversion of the Principal Amount Subordinated Notes it holds notwithstanding anything that might otherwise affect a Conversion of such Principal Amount of Subordinated Notes including:
 - (a) any change in the financial position of the Issuer since the issue of such 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 such Subordinated Notes;
- (iii) acknowledges and agrees that where Condition 5A.3 applies:
 - (a) there are no other conditions to a Non-Viability Trigger Event occurring as and when provided in Condition 5A.2;

- (b) Conversion must occur immediately on the occurrence of a Non-Viability Trigger Event and that may result in disruption or failures in trading or dealings in the Subordinated Notes;
- (c) it will not have any rights to vote in respect of any Conversion and that the Subordinated Note does not confer a right to vote at any meeting of members of the Issuer; 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 5B.5 applies, no conditions or events will affect the operation of that Condition and such Subordinated Noteholder will not have any rights to vote in respect of any Write-Off under that Condition and has no claim against the Issuer arising in connection with the application of that Condition;
- (v) acknowledges and agrees that such Subordinated Noteholder has no right to request a Conversion of any Principal Amount of any Subordinated Notes or to determine whether (or in what circumstances) the Principal Amount of Subordinated Notes it holds is Converted; ~~and~~
- (vi) acknowledges and agrees that none of the following shall prevent, impede or delay the Conversion or (where relevant) Write-Off of the Principal Amount of Subordinated Notes:
 - (a) any failure to or delay in the conversion or write-off of other Relevant Securities;
 - (b) any failure or delay in giving a Trigger Event Notice or other notice required by this Condition 5B;
 - (c) any failure or delay in quotation of the Ordinary Shares to be issued on Conversion;
 - (d) any failure or delay by a Subordinated Noteholder or any other party in complying with the provisions of Condition 5A.4; ~~and~~
 - (e) any requirement to select or adjust the number or Principal Amount of Subordinated Notes to be Converted in accordance with Condition 5A.3(ii)(b) or 5A.3(iii); and

~~(vii)~~ acknowledges and agrees that if, in respect of a Conversion, TopCo has issued the Conversion Number of Ordinary Shares to the Subordinated Noteholder but the Subordinated Note or portion thereof has not been transferred free from encumbrance to TopCo, the Subordinated Note or such portion shall be Written-Off in accordance with Condition 5B.7 without prejudice to the issue of the Ordinary Shares.

5B.7 Meaning of “Written-Off”

For the purposes of Condition 5B, **“Written-Off”** shall mean that, in respect of a Subordinated Note or portion thereof that is otherwise subject to Conversion and a Trigger Event Date:

- (i) the Subordinated Note or portion thereof that is otherwise subject to Conversion will not be Converted on that date and will not be Converted or redeemed under these Conditions on any subsequent date; and
- (ii) with effect on and from the Trigger Event Date, the rights of the relevant Subordinated Noteholder of the Subordinated Note or portion thereof (including any right to receive any payment thereunder including payments of principal and interest both in the future

and accrued but unpaid as at the Trigger Event Date) in relation to such Subordinated Note or portion thereof are immediately and irrevocably terminated and written-off; and

“Write-Off” has a corresponding meaning.

5C. Write-Off of Subordinated Notes

5C.1 Write-Off of Subordinated Notes on Trigger Event Date

If "Write-Off – Applicable" is specified in the relevant Pricing Supplement, Condition 5C shall apply to the Subordinated Notes and on the Trigger Event Date the rights of the Subordinated Noteholder of the relevant Subordinated Notes in relation to the relevant Principal Amount (as determined under Condition 5A.3) of the Subordinated Notes are Written-Off (as that term is defined for the purposes of Condition 5C).

Each Subordinated Noteholder irrevocably acknowledges and agrees that no conditions or events will affect the operation of this Condition 5C and such Subordinated Noteholder will not have any rights to vote in respect of any Write-Off under this Condition 5C.1.

5C.2 Meaning of “Written-Off”

For the purposes of this Condition 5C, **“Written-Off”** shall mean that, in respect of a Subordinated Note or portion thereof and a Trigger Event Date, the rights of the relevant Subordinated Noteholder (including any right to receive any payment thereunder including payments of principal and interest both in the future and accrued but unpaid as at the Trigger Event Date) in relation to such Subordinated Note or portion thereof are immediately and irrevocably terminated and written-off, and **“Write-Off”** has a corresponding meaning.

5D. Substitution of Issuer

5D.1 Application of this Conditions

Unless "Write-Off – Applicable" is specified in the relevant Pricing Supplement, this Condition 5D shall apply to the Subordinated Notes.

5D.2 Substitution of Approved NOHC

Where:

- (i) either of the following occurs:
 - (a) a takeover bid is made to acquire all or some of the Ordinary Shares and such offer is, or becomes, unconditional and either:
 - (A) the bidder has at any time during the offer period, a relevant interest in more than 50% of the Ordinary Shares on issue; or
 - (B) the directors of ~~the Issuer~~ TopCo, acting as a board, issue a statement that at least a majority of its directors who are eligible to do so have recommended acceptance of such offer (in the absence of a higher offer); or
 - (b) a court orders the holding of meetings to approve a scheme of arrangement under Part 5.1 of the Corporations Act, which scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares that will be on issue after the scheme is implemented and:
 - (A) all classes of members of ~~the Issuer~~ TopCo pass all resolutions required to approve the scheme by the majorities required under the Corporations Act, to approve the scheme; and

- (B) an independent expert issues a report that the proposals in connection with the scheme are in the best interests of the holders of Ordinary Shares; and
- (ii) the bidder or the person having a relevant interest in the Ordinary Shares in ~~the Issuer~~ TopCo after the scheme is implemented (or any entity that Controls the bidder or the person having the relevant interest) is an Approved NOHC,

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

- (iii) amend these Conditions such that, unless APRA otherwise agrees, on the date the Principal Amount of Subordinated Notes is to be Converted:
 - (a) each Subordinated Note that is being Converted in whole will be automatically transferred by each holder of such Subordinated Note free from encumbrance to the Approved NOHC on the date the Conversion is to occur;
 - (b) in respect of each Subordinated Note that is being Converted only in part, on the date the Conversion is to occur:
 - (A) the Principal Amount of the Subordinated Note that is being Converted shall be reduced to an amount equal to the non-Converted portion of the Principal Amount of such Subordinated Note in accordance with Condition 5A.4; and
 - (B) the Approved NOHC will be taken to hold a new Subordinated Note with a Principal Amount equal to the Converted portion of the Principal Amount of the Subordinated Note being Converted,

provided that any failure or delay by a Subordinated Noteholder or any other party in complying with the provisions of Condition 5D.2(iii)(b) shall not prevent, impede or delay the Conversion or Write-Off of Subordinated Notes;
 - (c) each holder (or a nominee in accordance with Condition 5B.2 or 5B.4 (as applicable), which provisions shall apply, mutatis mutandis, to such Approved NOHC Ordinary Shares) of the Subordinated Note or portion thereof being Converted will be issued a number of Approved NOHC Ordinary Shares equal to the Conversion Number and the provisions of Schedule A to these Conditions shall apply (with any necessary changes) to the determination of the number of such Approved NOHC Ordinary Shares; and
 - (d) as between the Issuer and the Approved NOHC, each Subordinated Note held by the Approved NOHC as a result of Condition 5D.2(iii)(b) will be automatically Converted into a number of ANZ Ordinary Shares such that the total number of ANZ Ordinary Shares held by the Approved NOHC by reason of such Conversion increases by the number which equals the number of Approved NOHC Ordinary Shares issued by the Approved NOHC to holders on Conversion; and
- (iv) makes such other amendments as in the Issuer's reasonable opinion are necessary or appropriate to effect the substitution of an Approved NOHC as the provider of the ordinary shares on Conversion in the manner contemplated by these Conditions, including, where the terms upon which the Approved NOHC acquires the Issuer are such that the number of Approved NOHC Ordinary Shares on issue immediately after the substitution differs from the number of Ordinary Shares on issue immediately before that substitution (not involving any cash payment or other distribution to or by the holders of any such shares), an adjustment to any relevant VWAP or Issue Date

VWAP consistent with the principles of adjustment set out in Schedule A to these Conditions.

5D.3 Notice of substitution of Approved NOHC

The Issuer shall give a notice to the Subordinated Noteholders as soon as practicable after the substitution in accordance with Condition 5D.2 specifying the amendments to these Conditions which will be made in accordance with Condition 5D.2 to effect the substitution of an Approved NOHC as issuer of ordinary shares on Conversion.

5D.4 Further substitutions

After a substitution under Condition 5D.2, the Approved NOHC may without the authority, approval or assent of the holder of Subordinated Notes, effect a further substitution in accordance with Condition 5D.2 (with necessary changes).

6. PAYMENTS

6.1 Payments by the Issuer

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

6.2 Method of Payment

Payments in respect of each Security will be made:

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

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

6.3 Payments Subject to Fiscal Laws

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

6.4 Appointment of Agents

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

7. TRANSFER

7.1 Transfer

- (i) Unless Securities are lodged in the Austraclear System, and subject to Condition 7.2, all applications to transfer Securities must be made by lodging with the Registrar a properly completed transfer and acceptance form in the form approved by the Issuer and the Registrar. Any Certificate relating to the Securities to be transferred must also be surrendered to the Registrar. Transfer and acceptance forms are available from any Registry Office. Each Registry Office will provide prompt marking and transfer services. Each transfer form must be accompanied by such evidence (if any) as the Registrar may require to prove the title of the transferor or the transferor's right to transfer the Security, and be signed by both the transferor and the transferee. The transfer takes effect upon the transferee's name being entered on the Register.
- (ii) Securities lodged in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

7.2 Limit on Transfer

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

7.3 Partial Transfers

Where a transferor executes a transfer of less than all Securities registered in its name, and the identity of the specific Securities to be transferred are not identified, the Registrar may register the transfer in respect of such of the Securities registered in the name of the transferor

as the Registrar thinks fit, provided the total Principal Amount of the Securities registered as having been transferred equals the total Principal Amount of the Securities expressed to be transferred in the transfer.

7.4 Closed Period

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

7.5 Stamp Duty

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

7.6 Transmission

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

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

7.7 Austraclear Services Limited as Registrar

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

- (i) for the purposes of any Conversion, Write-Off, repurchase, redemption or cancellation (whether on or before the Maturity Date of the relevant Security) of the relevant Security, a transfer of the relevant Security from Austraclear to the Issuer (or if applicable, to an Approved NOHC in accordance with Condition 5D) may be entered in the Register; and
- (ii) if Austraclear exercises or purports to exercise any power it may have under the Austraclear Regulations from time to time for the Austraclear System or these Conditions, to require the relevant Security to be transferred on the Register to a member of the Austraclear System, the relevant Security may be transferred on the Register from Austraclear to the member of the Austraclear System.

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

8. TAXATION

8.1 General

Subject as provided below, all payments of principal and interest in respect of the Securities shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld

or assessed by or within Australia or by any authority therein or thereof having power to tax (together, “**Taxes**”), unless such withholding or deduction is required by law.

8.2 Issuer to pay Additional Amounts

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

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

8.4 Tax File Number

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

8.5 References

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Securities (other than Subordinated Notes for which there is no premium payable), all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 (Redemption, Purchase and Options), or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 (Interest and other Calculations), or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or substitution for it under the Deed Poll. Any additional amounts due in respect of the Subordinated Notes will be subordinated in right of payment as described in Condition 3.2 (Status – Subordinated Notes), Condition 4.10 (Condition of Payment – Subordinated Notes) and Condition 11 (Subordination).

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

8.6 FATCA

The Issuer or TopCo 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 the Securities may be subject to FATCA, and may deal with such payment, and any Ordinary Shares in accordance with FATCA. If any withholding or deduction arises under or in connection with FATCA, neither the Issuer nor TopCo 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 the Securities for or in respect of any such withholding or deduction. 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.

9. PRESCRIPTION

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

10. EVENTS OF DEFAULT

10.1 Medium Term Notes

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

- (i) default is made in the payment of any principal or Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Instalment Amount or Amortised Face Amount (in the case of a Zero Coupon Security) (whether becoming due upon redemption or otherwise) or interest when due, in respect of any Medium Term Note of such Series, and such default continues for a period of seven days; or
- (ii) the Issuer fails to perform or observe any of its obligations under any Medium Term Note of such Series other than those specified in paragraph (i) above and in such case (except where such failure is incapable of remedy) such failure continues for a period of 30 days next following the service by any Registered Holder of any Medium Term Note of such Series on the Issuer of written notice requiring the same to be remedied; or
- (iii) otherwise than for the purpose of an amalgamation or reconstruction or merger within the meaning of these words under the laws of Australia, a resolution is passed that the Issuer be wound up or dissolved; or
- (iv) the Issuer stops payment (within the meaning of Australian or any other applicable bankruptcy law) of its obligations; or
- (v) an encumbrancer takes possession of or a receiver is appointed of the whole or a substantial part of the undertaking and assets of the Issuer and any such event is continuing for 45 days after its occurrence and would materially prejudice the performance by the Issuer of its obligations under the Medium Term Notes of such Series

or a distress or execution is levied or enforced upon or sued out against the whole or a substantial part of the undertaking and assets of the Issuer which would materially prejudice the performance of the Issuer of its obligations under the Medium Term Notes of such Series and is not discharged within 60 days thereof; or

- (vi) proceedings shall have been initiated against the Issuer under any applicable bankruptcy, reorganisation or other similar law and such proceedings shall not have been discharged or stayed within a period of 60 days; or
- (vii) the Issuer shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, insolvency, composition or other similar law (otherwise than for the purpose of amalgamation, reconstruction or merger (within the meaning of those words under the laws of Australia)) and such proceedings would materially prejudice the performance by the Issuer of its obligations under the Medium Term Notes of such Series.

Notwithstanding any other provision of this Condition 10.1, no Event of Default in respect of any Medium Term Note shall occur solely on account of any failure by the Issuer to perform or observe its obligations in relation to, or the taking of any process or proceeding in respect of any share, note or other security or instrument constituting Tier 1 Capital or Tier 2 Capital.

10.2 Subordinated Notes

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

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

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

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

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

10.3 Notification

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

11. SUBORDINATION

In the event of the winding-up of the Issuer constituting an Event of Default with respect to the Subordinated Notes, there shall be payable with respect to the Subordinated Notes, subject to the subordination provisions discussed above (see Condition 3.2 (Status – Subordinated Notes) and Condition 4.10 (Condition of Payment – Subordinated Notes), an amount equal to the Principal Amount of the Subordinated Notes then outstanding, together with all accrued and unpaid interest thereon to the repayment date.

As a result of the subordination provisions, no amount will be payable in the winding-up of the Issuer in Australia in respect of the Subordinated Notes until all claims of Senior Creditors admitted in the winding-up proceeding have been satisfied in full. By subscription for, or transfer of, Subordinated Notes to a Subordinated Noteholder, that Subordinated Noteholder will be taken to have agreed that no amount in respect of the Subordinated Notes will be repaid until all the claims of the Senior Creditors admitted in the winding-up proceeding have been satisfied accordingly. Accordingly, if proceedings with respect to the winding-up of the Issuer in Australia were to occur, the Subordinated Noteholders could recover less relative to the holders of deposit liabilities, the holders of Medium Term Notes and the holders of prior ranking subordinated liabilities of the Issuer.

If in any such winding-up, the amount payable with respect to the Subordinated Notes and any claims ranking equally with those Subordinated Notes cannot be paid in full, those Subordinated Notes and other claims ranking equally with those 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.

Any amount not paid due to Condition 4.10 (Conditions of Payment – Subordinated Notes) or Condition 10.2 (Subordinated Notes), remains a debt owing to the Noteholder by the Issuer until it is paid and will be payable on the first date on which payment can be made in compliance with the relevant Condition.

12. MEETINGS OF REGISTERED HOLDERS, MODIFICATIONS AND WAIVER

12.1 Meetings of Registered Holders

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

12.2 Modification of the Deed Poll

Subject to Condition 12.3:

- (i) the Deed Poll or the terms of any Series of Securities may be amended by the Issuer, without the consent of any Registered Holder, if in the opinion of the Issuer, the amendment:
- (a) is necessary or advisable to comply with any law;
 - (b) is necessary to correct an obvious error or omission, or is otherwise of a formal, minor, technical or administrative nature only;
 - (c) is made for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision;
 - (d) is not materially prejudicial to the interests of Registered Holders generally; or
 - (e) only applies to Securities issued by the Issuer after the date of the amendment;
- (ii) in all other circumstances, the Deed Poll or the terms of any Series of Securities may be amended with the approval of Registered Holders by an Extraordinary Resolution. The Issuer will notify the Registrar of any amendments made pursuant to this Condition and will use its reasonable endeavours to procure that the Registrar notifies the Registered Holders of the amendment by post to the address of the Registered Holders recorded in the Register.

In the case of an amendment to the terms of any Series of Securities, reference in this Condition 12.2 to “Registered Holders” are to be taken to refer to the Registered Holders of that Series of Securities.

12.3 No changes which may affect Tier 2 Capital eligibility

The prior written approval of APRA is required in respect of any modification, abrogation, variation, amendment, waiver or compromise in respect of the terms of any Series of Subordinated Notes or the Deed Poll where such modification, abrogation, variation, amendment, waiver or compromise may affect the eligibility of any Series of Subordinated Notes as Tier 2 Capital.

13. FURTHER ISSUES OF SECURITIES

The Issuer may from time to time without the consent of the Registered Holders create and issue further securities either having the same terms and conditions as the Securities in all respects (or in all respects except for the Issue Date or first payment of interest on them) and so that such further issue of securities shall be consolidated and form a single Series with the outstanding Securities of any Series or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single Series with the Securities.

14. NOTICES

14.1 To Registered Holders

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

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

14.2 To the Issuer and Registrar

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

15. GOVERNING LAW

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

SCHEDULE A TO THE CONDITIONS OF THE SECURITIES

1 Conversion

If ~~the Issuer~~ TopCo must Convert a Principal Amount of a Subordinated Note in accordance with the Conditions, then, subject to this Schedule A and Condition 5D.2 and unless the Pricing Supplement specifies that the Alternative Conversion Number applies, the following provisions apply (provided, in all cases, that where a Subordinated Note is required to be Converted only in part, references in this Schedule A to the "Subordinated Note" shall be taken to be references to the "Affected Subordinated Note" as defined in Condition 5A.4(ii)):

(a) The Subordinated Note will be automatically transferred free from any encumbrance to TopCo on Trigger Event Date;

~~(a)(b)~~ the Issuer TopCo will allot and issue on the Trigger Event Date a number of Ordinary Shares in respect of the Principal Amount of that Subordinated Note equal to the Conversion Number, where the Conversion Number (but subject to the Conversion Number being no more than the Maximum Conversion Number) is a number calculated according to the following formula:

$$\text{Conversion Number} = \frac{\text{Principal Amount}}{(1 - \text{CD}) \times \text{VWAP}}$$

where:

"**CD**" means the conversion discount specified in the applicable Pricing Supplement;

"**VWAP**" (expressed in dollars and cents) means the VWAP during the VWAP Period and where the "**Maximum Conversion Number**" means a number calculated according to the following formula:

$$\text{Maximum Conversion Number} = \frac{\text{Principal Amount}}{\text{Issue Date VWAP} \times 0.2}$$

~~(b)(c)~~ (c) on the Trigger Event Date, the rights of each holder of a Subordinated Note (including to payment of interest with respect to such Principal Amount, both in the future and as accrued but unpaid as at the Trigger Event Date) in relation to each Subordinated Note or portion thereof that is being Converted will be ~~immediately and irrevocably automatically transferred~~ terminated for an amount equal to the Principal Amount of that Subordinated Note that is being Converted and ~~the Issuer~~ TopCo will apply that Principal Amount by way of payment for subscription for the Ordinary Shares to be allotted and issued under Section ~~1(a)~~ 1(b) of this Schedule A and in accordance with the Deed Poll. Each holder of the Subordinated Note is taken to have irrevocably directed that any amount payable under Section 1 of this Schedule A is to be applied as provided for in Section 1 of this Schedule A and no holder of the Subordinated Note has any right to payment in any other way;

~~(e)(d)~~ (d) any calculation under Section 1 ~~(b)~~ (a) of this Schedule A shall be, unless the context requires otherwise, be rounded to four decimal places provided that if the total number of additional Ordinary Shares to be allotted to a holder of the Subordinated Note in respect of the aggregate Principal Amount of the Subordinated Notes it holds which is being Converted includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded; ~~and~~

(e) the rights attaching to Ordinary Shares issued as a result of Conversion do not take effect until 5.00pm (Melbourne, Australia time) on the Trigger Event Date (unless another time is required for Conversion on that date). At that time all other rights conferred or restrictions imposed on that Subordinated Note under the Conditions will

no longer have effect to the extent of the Principal Amount of that Subordinated Note being Converted (except for the right to receive the Ordinary Shares as set forth in Section 1 of this Schedule A and Condition 5B and except for rights relating to interest which is payable but has not been paid on or before the Trigger Event Date which will continue); and

~~(e)~~(f) as agreed between, amongst others, TopCo and the Issuer under the Implementation Deed, TopCo, the Issuer and their Related Bodies Corporate will deal with the Subordinated Notes being Converted so that they are converted into ANZ Ordinary Shares and terminated (the "Related Conversion Steps").

2 Adjustments to VWAP

For the purposes of calculating VWAP in the Conditions:

- (a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on the Australian Securities Exchange as cum dividend or cum any other distribution or entitlement and the relevant Principal Amount of Subordinated Notes will Convert into Ordinary Shares after the date those Ordinary Shares no longer carry that dividend or any other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount ("**Cum Value**") equal to:
- (i) (in case of a dividend or other distribution), the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Tax Act;
 - (ii) (in the case of any other entitlement that is not a dividend or other distribution under Section 2(a)(i) of this Schedule A which is traded on the Australian Securities Exchange on any of those Business Days), the volume weighted average sale price of all such entitlements sold on the Australian Securities Exchange during the VWAP Period on the Business Days on which those entitlements were traded; or
 - (iii) (in the case of any other entitlement which is not traded on the Australian Securities Exchange during the VWAP Period), the value of the entitlement as reasonably determined by the directors of the Issuer; and
- (b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted on the Australian Securities Exchange as ex dividend or ex any other distribution or entitlement, and the relevant Principal Amount of Subordinated Notes will Convert into Ordinary Shares which would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

3 Adjustments to VWAP for divisions and similar transactions

- (a) Where during the relevant VWAP Period there is a change in the number of the Ordinary Shares on issue as a result of a division, consolidation or reclassification of the Issuer's share capital (not involving any cash payment or other distribution (or compensation) to or by holders of Ordinary Shares) (a "**Reorganisation**"), in calculating the VWAP for that VWAP Period the daily VWAP applicable on each day in the relevant VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reorganisation basis shall be adjusted by multiplying such daily VWAP by the following formula:

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

where:

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

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

- (b) Any adjustment made by the Issuer in accordance with Section 3(a) of this Schedule A will, absent manifest error, be effective and binding on holders of the Subordinated Notes under these terms and these terms will be construed accordingly. Any such adjustment must be promptly notified to all holders of the Subordinated Notes.

4 Adjustments to Issue Date VWAP

For the purposes of determining the Issue Date VWAP, corresponding adjustments to VWAP will be made in accordance with Section 2 and Section 3 of this Schedule A during the 20 Business Day period over which VWAP is calculated for the purposes of determining the Issue Date VWAP. On and from the Issue Date adjustments to the Issue Date VWAP:

- (a) may be made in accordance with Sections 5 to 7 of this Schedule A (inclusive); and
- (b) if so made, will cause an adjustment to the Maximum Conversion Number.

5 Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to Section 5(b) of this Schedule A below, if at any time after the Issue Date ~~the Issuer~~ TopCo makes a pro rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_o \times \frac{V_v}{\frac{RD}{RD + RN}}$$

where:

V means the Issue Date VWAP applying immediately after the application of this formula;

V_o means the Issue Date VWAP applying immediately prior to the application of this formula;

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

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

- (b) Section 5(a) of this Schedule A does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purpose of Section 5(a) of this Schedule A, an issue will be regarded as a pro rata issue notwithstanding that ~~the Issuer~~ TopCo does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing ~~the Issuer~~ TopCo is not in contravention of the ASX Listing Rules.
- (d) No adjustments to the Issue Date VWAP will be made under this Section 5 of this Schedule A for any offer of Ordinary Shares not covered by Section 5(a) of this Schedule A, including a rights issue or other essentially pro rata issue.

- (e) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by Section 5(a) of this Schedule A shall not in any way restrict ~~the Issuer-TopCo~~ from issuing Ordinary Shares at any time on such terms as it sees fit nor require any consent or concurrence of any Subordinated Noteholders.

6 Adjustment to Issue Date VWAP for divisions and similar transactions

- (a) If at any time after the Issue Date, a Reorganisation occurs, the Issuer shall adjust the Issue Date VWAP by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reorganisation by the following formula:

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

where:

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

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

- (b) Any adjustment made by the Issuer in accordance with Section 6(a) of this Schedule will, absent manifest error, be effective and binding on Subordinated Noteholders under these terms and these terms will be construed accordingly.
- (c) Each Subordinated Noteholder acknowledges that the Issuer may, consolidate, divide or reclassify securities so that there is a lesser or greater number of Ordinary Shares at any time in its absolute discretion without any such action requiring any consent or concurrence of any Subordinated Noteholders.

7 No Adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of Section 5 and Section 6 of this Schedule A, no adjustment shall be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than one percent of the Issue Date VWAP then in effect.

8 Announcement of adjustment to Issue Date VWAP

The Issuer will notify Subordinated Noteholders (an “**Adjustment Notice**”) of any adjustment to the Issue Date VWAP under this Schedule A within 10 Business Days of the Issuer determining the adjustment and the adjustment set out in the announcement will be final and binding.

9 Ordinary Shares

Each Ordinary Share issued or arising upon Conversion ranks *pari passu* with all other fully paid Ordinary Shares.

10 Listing Ordinary Shares issued on Conversion

~~The Issuer-TopCo~~ shall use all reasonable endeavours to list the Ordinary Shares issued upon Conversion of the Subordinated Notes on the Australian Securities Exchange.

11 Alternative Conversion Number

If the Issuer must Convert a Principal Amount of a Subordinated Note in accordance with the Conditions and the Pricing Supplement specifies that the Alternative Conversion Number applies, then:

- (a) Section 1 of this Schedule A applies on the basis that the Conversion Number for the purposes of Section 1(ba) of this Schedule A is the number of Ordinary Shares specified in the Pricing Supplement as the Alternative Conversion Number (subject to

the Alternative Conversion Number being no more than the Maximum Conversion Number as determined in accordance with Section 1(ba) of this Schedule A); and

(b) Sections 2 to 8 (inclusive) of this Schedule A do not apply to the Alternative Conversion Number.

12 Transitional provision

For the purposes of clauses 2 to 6 (inclusive) of this Schedule A:

(a) where any part of a VWAP Period has commenced before the Approved NOHC Substitution Date, in respect of such part of the VWAP Period, each reference to Ordinary Shares and TopCo in clause 2 and 3 and the definition of VWAP and VWAP Period shall be taken to be a reference to ANZ Ordinary Shares and ANZ; and

(b) each reference to Ordinary Shares in clause 5 and 6 of this Schedule A and the definition of "Reorganisation" to Ordinary Shares and TopCo shall be read as a reference to ANZ Ordinary Shares and ANZ in respect of any pro rata bonus issue of shares or Reorganisation occurring before the Approved NOHC Substitution Date.

1213 Definitions

For the purposes of this Schedule A the following terms shall have the following meanings:

"Cum Value" has the meaning given in Section 2 of this Schedule A.

"Issue Date VWAP" means, in respect of Subordinated Notes of a Series, the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the first date on which any Subordinated Notes of that Series were issued, as adjusted in accordance with Sections 5 to 7 (inclusive) of this Schedule A.

"Reorganisation" has the meaning given in Section 3 of this Schedule A.

"Tax Act" means:

- (i) the Income Tax Assessment Act 1936 (Cth) of Australia or the Income Tax Assessment Act 1997 (Cth) of Australia as the case may be and a reference to any section of the Income Tax Assessment Act 1936 (Cth) of Australia includes a reference to that section as rewritten in the Income Tax Assessment Act 1997 (Cth) of Australia; and
- (ii) any other Act setting the rate of income tax payable and any regulation promulgated under it.

"VWAP" means, subject to any adjustments under this Schedule A, the average of the daily volume weighted average sale prices (such average being rounded to the nearest full cent) of Ordinary Shares sold on the Australian Securities Exchange during the VWAP Period or on the relevant days but does not include any "Crossing" transacted outside the "Open Session State" or any "Special Crossing" transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares;

"VWAP Period" means the period of 5 Business Days or such other period specified in the applicable Pricing Supplement on which trading in Ordinary Shares took place immediately preceding (but not including) the Trigger Event Date.