

# Information Memorandum



## **Newcastle Permanent Building Society Limited**

ABN 96 087 651 992

## **A\$2,000,000,000 Debt Issuance Programme**

### **Arranger**

#### **National Australia Bank Limited**

ABN 12 004 044 937

### **Dealers**

#### **National Australia Bank Limited**

ABN 12 004 044 937

#### **Newcastle Permanent Building Society Limited**

ABN 96 087 651 992

#### **Australia and New Zealand Banking Group Limited**

ABN 11 005 357 522

#### **Commonwealth Bank of Australia**

ABN 48 123 123 124

#### **Westpac Banking Corporation**

ABN 33 007 457 141

**3 September 2013**

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# Important Notice

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## Introduction

This Information Memorandum relates to a debt issuance programme ("**Programme**") established by Newcastle Permanent Building Society Limited ("**Issuer**") under which medium term notes ("**MTNs**"), transferable deposits ("**TDs**") and other debt instruments (collectively, "**Debt Instruments**") up to the Programme Limit (as defined in the section entitled "Summary of the Programme" below) may be issued from time to time:

This Information Memorandum replaces the Information Memorandum dated 15 December 2005.

References to "**Information Memorandum**" are to this Information Memorandum together with any other document incorporated by reference as described in the section entitled "The Issuer and documents incorporated by reference" and to any of them individually.

## Issuer's responsibility

This Information Memorandum has been prepared and issued by the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum other than information provided by the Arranger, the Dealers and the Agents (each as defined in the section entitled "Summary of the Programme" below) in relation to their respective details (if applicable) in the section entitled "Directory" below.

## Terms and conditions of issue

TDs will only be issued in Australia. Other Debt Instruments may be issued in or outside Australia. Debt Instruments will be issued in series (each a "**Series**"). Each Series may comprise one or more tranches (each a "**Tranche**") having one or more issue dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the issue price and the first payment of interest).

Each issue of Debt Instruments will be made pursuant to such documentation as the Issuer may determine. A pricing supplement ("**Pricing Supplement**") may be issued for each Tranche or Series of Debt Instruments. A Pricing Supplement and/or another supplement to this Information Memorandum ("**Other Supplement**") will contain details of the initial aggregate principal amount, issue price, issue date, maturity date, details of interest payable (if any) together with any other terms and conditions not set out in this Information Memorandum that may be applicable to that Tranche or Series of Debt Instruments (together, the "**Conditions**"). In particular, this Information Memorandum does not set out the Conditions that are applicable to subordinated MTNs. The Issuer may issue a supplement to this Information Memorandum with respect to any issue of subordinated MTNs. The Conditions applicable to senior, unsubordinated Debt Instruments are included in this Information Memorandum and may be supplemented, amended, modified or replaced by the relevant Pricing Supplement and/or relevant Other Supplement for those Debt Instruments.

The Issuer may also publish a supplement to this Information Memorandum (or additional information memoranda) which describes the issue of Debt Instruments (or particular classes of Debt Instruments) not otherwise described in this Information Memorandum. A Pricing Supplement, Other Supplement or a supplement to this Information Memorandum may also supplement, amend, modify or replace any statement or information set out in, or incorporated by reference in, this Information Memorandum or a supplement to this Information Memorandum.

## No independent verification

The only role of the Arranger, the Dealers and the Agents (each as defined in the section entitled "Summary of the Programme" below) in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective details in the section entitled "Directory" below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Arranger, the Dealers or the Agents has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by any of them as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer in connection with the Programme. The Arranger acts in this Programme in its capacity as arranger of the Programme, and not in any capacity as fiduciary.

The Arranger, the Dealers and the Agents expressly do not undertake to review the financial condition or affairs of the Issuer, or any of its affiliates, at any time or to advise any holder of a Debt Instrument of any information coming to their attention with respect to the Issuer and make no representations as to the ability of the Issuer to comply with its obligations under the Debt Instruments.

### **Intending purchasers to make independent investment decision and obtain tax advice**

This Information Memorandum contains only summary information concerning the Debt Instruments. Neither the information contained in this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Debt Instruments is intended to provide the basis of any credit or other evaluation and should not be considered or relied on as a recommendation or a statement of opinion (or a report of either of those things) by the Issuer, Arranger, the Dealers or the Agents that any recipient of this Information Memorandum or any other information supplied in connection with the Programme or the issue of any Debt Instruments should subscribe for, purchase or otherwise deal in, any Debt Instruments or any rights in respect of any Debt Instruments.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Debt Instruments, or any rights in respect of any Debt Instruments under the Programme, should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer;
- determine for themselves the relevance of the information contained in this Information Memorandum and any other information supplied in connection with the Programme or the issue of any Debt Instruments, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

No advice is given in respect of the legal or taxation treatment of investors in connection with an investment in any Debt Instruments or rights in respect of them and each investor is advised to consult its own professional adviser.

### **Risks**

Neither this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Debt Instruments describes the risks of an investment in any Debt Instruments. Prospective investors should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Debt Instruments and the suitability of investing in the Debt Instruments in light of their particular circumstances.

### **No offer**

Neither this Information Memorandum and any other information supplied in connection with the Programme or the issue of any Debt Instruments constitutes, or is intended to constitute, an offer or invitation by or on behalf of the Issuer, the Arranger, the Dealers or any Agent to any person to subscribe for, purchase or otherwise deal in any Debt Instruments.

### **No disclosure required**

Neither this Information Memorandum nor any other disclosure document in relation to the Debt Instruments has been, or will be, lodged with the Australian Securities and Investments Commission (“ASIC”). Accordingly, this Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act 2001 of Australia (“Corporations Act”).

### **No registration in the United States**

The Debt Instruments have not been, and will not be, registered under the United States Securities Act of 1933, as amended (“U.S Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States of America. The Debt Instruments may not be offered, sold, delivered or transferred, at any time, within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

### **No authorisation**

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer, the Programme or the issue or sale of the Debt Instruments and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer or any of the Arranger, the Dealers or the Agents.

### **Agency and distribution arrangements**

The Issuer has agreed to pay the fees to the Agents for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme.

The Issuer may also pay a Dealer a fee in respect of the Debt Instruments subscribed by it, may agree to reimburse the Dealers for certain expenses incurred in connection with the Programme and may indemnify the Dealers against certain liabilities in connection with the offer and sale of the Debt Instruments.

The Issuer, the Arranger, the Dealers, the Agents, and their respective related entities, directors and employees may have pecuniary or other interests in the Debt Instruments and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealing in any Debt Instruments.

The distribution of this Information Memorandum, including any Pricing Supplement, Other Supplement, advertisement or other offering material, and the offer or sale of Debt Instruments may be restricted by law in certain jurisdictions and other investors should inform themselves about, them and observe any, such restrictions. None of the Issuer, the Arranger, the Dealers or the Agents represents that this document may be lawfully distributed, or that any Debt Instruments may be lawfully offered in compliance with any applicable registration or other requirements in any such jurisdiction, or under an exemption available in that jurisdiction, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Issuer, the Arranger, the Dealers or the Agents which would permit a public or other offering of any Debt Instruments or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Debt Instruments, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Debt Instruments except if the offer or invitation complies with all applicable laws, regulations and directives.

For a description of certain restrictions on offers, sales and deliveries of the Debt Instruments, and on the distribution of this Information Memorandum, any Pricing Supplement or other offering material relating to the Debt instruments, see the section entitled “Selling and Distribution Restrictions” below.

## References to credit ratings

There may be references in this Information Memorandum to the credit ratings of the Issuer. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant assigning organisation. Each credit rating should be evaluated independently of any other credit rating.

*Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.*

## Currencies

In this Information Memorandum references to “AUD”, “A\$” or “Australian dollars” are to the lawful currency of the Commonwealth of Australia.

## Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it or incorporated by way of reference is correct or that there has not been any change (adverse or otherwise) in the financial condition or affairs of the Issuer at any time subsequent to the Preparation Date. In particular, the Issuer is not under any obligation to any person to update this Information Memorandum at any time after an issue of Debt Instruments.

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

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

## Stabilisation

In connection with any issue of Debt Instruments outside Australia, the Dealer (if any) designated as stabilising manager in the relevant Pricing Supplement may over-allot or effect transactions outside Australia which stabilise or maintain the market price of the Debt Instruments of the relevant Series at a level which might not otherwise prevail. Such stabilising shall be in compliance with all relevant laws and regulations.

## Australian banking legislation

The Issuer is an “authorised deposit-taking institution” (“**ADI**”) as that term is defined under the Banking Act 1959 of Australia (“**Banking Act**”), and is supervised by the Australian Prudential Regulation Authority (“**APRA**”).

Under sections 13A(3) and 16(2) of the Banking Act and section 86 of the Reserve Bank Act 1959 of Australia (“**Reserve Bank Act**”), certain debts of the Issuer are preferred by law, as described below. Section 13A(3) of the Banking Act provides that, in the event an ADI, which includes the Issuer,

becomes unable to meet its obligations or suspends payment, the ADI's assets in Australia are available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including, in the case of the Issuer, the Debt Instruments). These specified liabilities include certain obligations of the ADI to APRA in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the Reserve Bank of Australia ("**RBA**") and certain other debts to APRA. A "protected account" is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by regulation.

Under section 16(2) of the Banking Act, certain other debts of an ADI due to APRA shall, in a winding-up of an ADI, have, subject to section 13A(3) of the Banking Act, priority over all other unsecured debts of that ADI. Further, section 86 of the Reserve Bank Act provides that debts due by an ADI to the RBA shall, in a winding-up of that ADI, have, subject to section 13A(3) of the Banking Act, priority over all other debts of that ADI.

Debt Instruments do not constitute protected accounts for the purposes of the Banking Act. The Issuer does not make any representation as to whether any Debt Instruments would constitute deposit liabilities in Australia for the purposes of the Banking Act. Subordinated MTNs, if issued, will not be a deposit liability or a protected account of the Issuer for the purposes of the Banking Act.

The liabilities which are preferred by law to the claim of a holder in respect of a Debt Instrument may be substantial and the Conditions do not limit the amount of such liabilities which may be incurred or assumed by the Issuer from time to time.

In addition, the Debt Instruments are not guaranteed or insured by the Australian Government or under any compensation scheme of the Australian Government, or by any other government, under any other compensation scheme or by any government agency or any other party.

## **The Issuer and documents incorporated by reference**

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### **Description of the Issuer**

The Issuer commenced operations in 1903 as an independent mutual building society and is now the largest building society in Australia and the most financially secure customer-owned banking institution in Australia in terms of net assets. The Issuer has a network of 57 branches covering the Newcastle and the Hunter, Central Coast, Mid North Coast, New England and Northern Rivers regions in New South Wales, Australia. In 2013 Newcastle Permanent will expand into the contiguous Central West region of NSW. In particular, the Issuer has a significant market presence within the city of Newcastle and The Hunter which is the largest regional area in Australia and employs more than 900 people. The Issuer remains a mutual company owned by its members.

The Issuer is a licensed authorised deposit-taking institution under the Banking Act 1959 of Australia and just like the major-Australian banks operates under the supervision of the APRA. APRA requires the Issuer to submit quarterly returns and comply with minimum regulatory capital and liquidity ratios.

The Issuer is also regulated by the ASIC as a company limited by guarantee and shares, is incorporated under the Corporations Act and registered in New South Wales. The Issuer holds an Australian Financial Services Licence and is authorised to carry on a financial services business and to deal in financial products.

The Issuer's principal activities are in the provision of retail banking products including home loans and retail savings products to customers in the Newcastle and the regional areas mentioned above and also in Sydney, Australia's largest metropolitan market and the capital city of NSW. The majority of the Issuer's loans are secured by residential property although it also offers personal loans and business loans as well as a range of other products and services such as:

- general insurance - house and contents, car, mortgage and loan protection;
- credit facilities - credit cards, lines of credit and overdrafts;
- financial planning and life insurance;
- superannuation products, including managed funds and allocated pensions; and
- other banking services, including telephone and internet banking, travel products including travel insurance, business banking services, personal investment, transactions and savings accounts.

### **Documents incorporated by reference**

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum.

The following documents are incorporated in, and taken to form part of, this Information Memorandum:

- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time all documents stated herein or therein to be incorporated in this Information Memorandum;
- the most recent financial statements of the Issuer filed with ASIC from time to time; and
- each Pricing Supplement and all documents stated therein to be incorporated in this Information Memorandum.

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

Copies of documents incorporated by reference may be obtained from the Issuer, the Offshore Agent (as defined in the section entitled "Summary of the Programme" below) or such other person specified in any Pricing Supplement or Other Supplement.

Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether or not to purchase any Debt Instruments.

## Summary of the Programme

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*The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and in relation to any Debt Instruments, the Conditions and any relevant Pricing Supplement or Other Supplement. A reference to a "Pricing Supplement" or "Other Supplement" does not limit the provisions or features of this Programme which may be supplemented, amended, modified or replaced by a Pricing Supplement in relation to a particular Tranche or Series of Debt Instruments.*

- Issuer: Newcastle Permanent Building Society Limited (ABN 96 087 651 992)
- Programme description: A non-underwritten debt issuance programme ("**Programme**") under which the Issuer may elect to issue medium term notes ("**MTNs**"), transferable deposits ("**TDs**") or other debt instruments (collectively referred to as "**Debt Instruments**").
- The features of other Debt Instruments will be described in a Pricing Supplement and/or Other Supplement relevant to the issue of those Debt Instruments prior to their issuance.
- Programme Limit: A\$2,000,000,000
- The Programme Limit may be increased by the Issuer from time to time.
- Dealers: National Australia Bank Limited (ABN 12 004 044 937); Newcastle Permanent Building Society Limited (ABN 96 087 651 992); Australia and New Zealand Banking Group Limited (ABN 11 005 357 522); Commonwealth Bank of Australia (ABN 48 123 123 124); and Westpac Banking Corporation (ABN 33 007 457 141).
- Additional Dealers may be appointed from time to time by the Issuer for a specific Tranche of Debt Instruments or to the Programme generally.
- Direct issues by Issuer: The Issuer may issue Debt Instruments directly to purchasers or investors (as applicable) procured by it. Such purchasers will be required to confirm and acknowledge to the Issuer in writing that the issue of the Debt Instruments resulted from the Debt Instruments being offered for issue as a result of negotiations being initiated publicly in electronic form (e.g. Reuters or Bloomberg) or in another form that was used by financial markets for dealing in securities.
- Registrars: Austraclear Services Limited (ABN 28 003 284 419) as the initial "**Australian Registrar**", Citigroup Global Markets Deutschland AG as the "**Offshore Registrar**" and/or any other person appointed by the Issuer to perform registry functions and establish and maintain a Register (as defined below) in or outside Australia on the Issuer's behalf from time to time. Details of additional appointments in respect of a Tranche or Series will be notified in any relevant Pricing Supplement and/or Other Supplement.
- Offshore Agent: It is intended that Citibank N.A., London Branch will be appointed as the offshore issuing and paying agent ("**Offshore Agent**") and/or any other persons appointed by the Issuer to act as an issuing agent ("**Issuing Agent**") or paying agent ("**Paying Agent**") outside Australia on the Issuer's behalf from time to time. Details of such appointments in respect of a Tranche or Series will be notified in any relevant Pricing Supplement and/or Other Supplement.

**Calculation Agents:** If a Calculation Agent is required for the purpose of calculating any amount or making any determination under a Debt Instrument, such appointment will be notified in the relevant Pricing Supplement and/or Other Supplement. The Issuer may terminate the appointment of the Calculation Agent, appoint additional or other Calculation Agents or elect to have no Calculation Agent. Where no Calculation Agent is appointed the calculation of interest, principal and other payments in respect of the relevant Debt Instruments will be made by the Issuer.

**Agents:** Each Registrar, Offshore Registrar, Offshore Agent, Issuing Agent, Paying Agent, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with respect to any Series or Tranche of Debt Instruments. Details of such appointment will be set out in any relevant Pricing Supplement and/or Other Supplement.

**Form of Debt Instruments:** Debt Instruments will be in registered form and will be debt obligations of the Issuer which are constituted by, and owing under, the Second Debt Instrument Deed Poll dated on or about 3 September 2013, as amended and/or supplemented from time to time or such other deed poll executed by the Issuer as may be specified in any relevant Pricing Supplement and/or Other Supplement ("**Deed Poll**") or in such other form as the Issuer may otherwise determine from time to time.

Debt Instruments take the form of entries in a register ("**Register**") maintained by a Registrar. In respect of Debt Instruments issued in Australia, a Register will be maintained by the Australian Registrar in New South Wales, Australia and, in respect of Debt Instruments issued outside Australia, the relevant Pricing Supplement will specify the place in which the relevant Register will be maintained by the Offshore Registrar.

MTNs may bear interest at a fixed or floating rate, be issued at a discount or premium to the face value or otherwise bear interest which is calculated by a formula or an index as specified in the relevant Pricing Supplement. The MTNs of any Series may be described as "MTNs", "Notes", "Bonds", "Instruments", "Medium Term Notes", "Indexed Notes", "Amortising Notes", "Credit Linked Notes", "FRNs", "Zero Coupon Notes" or by any other marketing name specified in the relevant Pricing Supplement.

TDs may bear interest at a fixed or floating rate or be issued at a discount or premium to the face value as specified in the relevant Pricing Supplement. The TDs of any Series may be described by any marketing name specified in the relevant Pricing Supplement.

The form of any other Debt Instrument to be issued by the Issuer under the Programme may be specified in the relevant Pricing Supplement or Other Supplement.

**Negative Pledge:** Debt Instruments will have the benefit of a negative pledge. See Condition 5 of the MTN Conditions and Condition 5 of the Transferable Deposit Conditions.

**Issuance in Series:** Debt Instruments will be issued in Series. Each Series may comprise one or more Tranches having one or more issue dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the issue price and the first payment of interest). The Debt Instruments of each Tranche of a Series are intended to be fungible with all other Debt Instruments of that Series.

However, in certain circumstances, Debt Instruments of a particular Tranche may not be, nor will they become, fungible with Debt Instruments of any other Tranche or Tranches forming part of the same Series until a

	specified time following their issue, as described in any relevant Pricing Supplement and/or Other Supplement.
Status and ranking:	Debt Instruments will be direct, unconditional and unsecured obligations of the Issuer.
	MTNs of a Series may be either:
	(a) senior unsubordinated obligations ranking equally among themselves and at least equally with all other present and future unsubordinated and unsecured obligations of the Issuer, except liabilities mandatorily preferred by law; or
	(b) subordinated obligations ranking equally among themselves and at least equally with all other present and future subordinated and unsecured obligations of the Issuer, except liabilities mandatorily preferred by law, and will be subordinated, as more fully described in the applicable terms and conditions.
	In relation to paragraph (b) above, the MTN Conditions do not set out the terms and conditions of subordinated MTNs. The Issuer may issue a supplement to this Information Memorandum with respect to any issue of subordinated MTNs.
	TDs will be senior unsubordinated obligations and rank equally among themselves and at least equally with all other present and future unsubordinated and unsecured obligations of the Issuer, except liabilities mandatorily preferred by law.
Denominations:	Debt Instruments will be issued in single denominations or as otherwise specified in any relevant Pricing Supplement or Other Supplement.
Currencies:	Subject to all applicable laws, regulations and directives, Debt Instruments (other than TDs) will be issued in Australian dollars or such other currencies as specified in any relevant Pricing Supplement or Other Supplement.
	TDs will only be denominated in Australian dollars.
	Payments in respect of Debt Instruments (other than TDs) may be made in, or limited to, any currency or currencies other than the currency in which the Debt Instruments (other than TDs) are denominated, all as set out in any relevant Pricing Supplement or Other Supplement.
Issue Price:	Debt Instruments may be issued at any price on a fully or partly paid basis, as specified in any relevant Pricing Supplement or Other Supplement.
Clearing System:	Debt Instruments may be transacted either within or outside any Clearing System (as defined below).
	The Issuer may apply to Austraclear Limited (ABN 94 002 060 773) (" <b>Austraclear</b> ") for approval for Debt Instruments denominated in Australian dollars to be primarily traded on the clearing and settlement system operated by it (" <b>Austraclear System</b> "). Such approval of the Debt Instruments by Austraclear is not a recommendation or endorsement by Austraclear of the Debt Instruments.
	Interests in Debt Instruments may also be traded on the settlement system operated by Euroclear Bank S.A./N.V. (" <b>Euroclear</b> "), the settlement system operated by Clearstream Banking, société anonyme (" <b>Clearstream, Luxembourg</b> ") or any other clearing system outside Australia specified in the relevant Pricing Supplement or Other

Supplement (the Austraclear System, Euroclear and Clearstream, Luxembourg, each a “**Clearing System**”).

If accepted for admission to the Austraclear System, an interest in a Debt Instrument may also be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the Debt Instruments in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as a nominee of Euroclear while entitlements in respect of holdings of interests in the Debt Instruments in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in a Debt Instrument held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominees and/or custodians and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Debt Instrument, which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration summarised in the section headed “Transfer Procedure” below.

The Issuer will not be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.

Details of any Clearing System the Debt Instruments may be traded on will be specified in the relevant Pricing Supplement and/or Other Supplement.

Title: Entry of the name of a person in the relevant Register in respect of a Debt Instrument constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered holder of such Debt Instrument.

Debt Instruments which are held in the Austraclear System will be registered in the name of Austraclear. Title to the Debt Instruments which are held in another Clearing System will be determined in accordance with the rules and regulations of the relevant Clearing System.

No certificate or other evidence of title will be issued to holders of Debt Instruments issued in Australia unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law, regulation or directive.

Title to Debt Instruments issued outside Australia may be evidenced by a registered note certificate, the form of which will be set out as a schedule to an Offshore Agency and Registry Services Agreement between the Issuer and Offshore Registrar.

Title to other Debt Instruments will depend on the form of those Debt Instruments as specified in the relevant Pricing Supplement and/or Other Supplement.

No cross default: Debt Instruments will not include a cross-default clause.

Governing law: The Debt Instruments, and all related documents, will be governed by the laws of New South Wales, Australia, unless otherwise specified in any relevant Pricing Supplement or Other Supplement.

Use of proceeds:	The net proceeds realised from the issue of Debt Instruments will be used for the Issuer's general corporate purposes.
Transfer procedure:	<p>Debt Instruments may only be transferred in whole and otherwise in accordance with the MTN Conditions or Transferable Deposit Conditions, as the case may be.</p> <p>Transfers of Debt Instruments held in a Clearing System will be made in accordance with the rules and regulations of the relevant Clearing System.</p>
Redemption:	<p>MTNs may be redeemed prior to scheduled maturity in certain circumstances as more fully set out in Condition 11 of the MTN Conditions and the relevant Pricing Supplement.</p> <p>The provision for the redemption of other Debt Instruments (if any) will be set out in the relevant Pricing Supplement and/or Other Supplement.</p> <p>Debt Instruments entered in a Clearing System will be redeemed through that Clearing System in a manner consistent with the rules and regulations of that Clearing System.</p>
Payment and Record Date:	<p>Payments to persons who hold Debt Instruments through a Clearing System will be made by transfer to their relevant account in accordance with the rules and regulations of the relevant Clearing System.</p> <p>If Debt Instruments are not lodged in a Clearing System, payments will be made to the account of the registered holder noted in the Register as at 5.00 pm (Sydney time) on the relevant Record Date. If no account is notified, then payments will be made by cheque mailed on the Business Day immediately preceding the relevant payment date to the registered holder at its address appearing in the Register on the Record Date.</p> <p>The Record Date is the close of business in the place where the Register is maintained on (i) the eighth calendar day before the Payment Date (in respect of Debt Instruments lodged in the Austraclear System) (ii) the calendar day before the Payment Date (in respect of Debt Instruments lodged in Euroclear or Clearstream, Luxembourg) or (iii) any other period specified in the relevant Pricing Supplement and/or Other Supplement.</p>
Stamp duty:	<p>Any stamp duty incurred at the time of issue of the Debt Instruments will be for the account of the Issuer. Any stamp duty incurred on a transfer of Debt Instruments will be for the account of the relevant investors.</p> <p>As at the date of this Information Memorandum, no Australian stamp duty is payable on the issue, transfer or redemption of the Debt Instruments. Investors are advised to seek independent advice regarding any stamp duty or other taxes imposed by another jurisdiction upon the transfer of Debt Instruments, or interests in Debt Instruments, in any jurisdiction outside of Australia.</p>
Taxes:	An overview of the Australian taxation treatment of payments of interest in the Debt Instruments is set out in the section entitled "Australian Taxation" below. However, investors should obtain their own taxation advice regarding the taxation status of investing in such Debt Instruments.
Withholding Tax:	Subject to customary exemptions, if a law requires the Issuer to withhold or deduct an amount in respect of taxes from a payment in respect of the MTNs such that the holder would not actually receive on the due date the full amount provided for under the MTNs, then the Issuer agrees to pay an additional amount so that each holder is entitled to receive the amount it would have received if no deductions or withholdings had been required

to be made as more fully described in Condition 14 of the MTN Conditions.

If a law requires the Issuer to withhold or deduct an amount in respect of taxes from a payment in respect of the TDs such that the holder would not actually receive on the due date the full amount provided for under the TDs, then the Issuer is not obliged to make any additional payments to the holder in respect of such withholding or deduction.

The Issuer and other financial institutions through which payments on Debt Instruments are made may also be required to withhold U.S. tax pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) or similar laws implementing an inter-governmental approach on FATCA.

FATCA is particularly complex and its application to interest, principal or other amounts paid with respect to Debt Instruments is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Debt Instruments, none of the Issuer, any Agent nor any other person would, pursuant to the Conditions of the Debt Instruments, be required to pay additional amounts as a result of such deduction or withholding. Holders of Debt Instruments should consult their own tax advisers on how these rules may apply to payments they receive under the Debt Instruments.

***Investors should obtain their own taxation and other applicable advice regarding the taxation and other fiscal status of investing in Debt Instruments.***

Information regarding Australian taxes in respect of any other Debt Instruments or additional information regarding MTNs and TDs will be set out in the relevant Pricing Supplement and/or Other Supplement

The Issuer will deduct amounts from payments of interest to be made under the Debt Instruments at the prescribed rate if an Australian resident investor or a non-resident that holds the Debt Instruments at or through a permanent establishment in Australia has not supplied an appropriate Tax File Number, (or in certain circumstances) an Australian Business Number or such exemption details as may be necessary to enable the payment to be made without withholding or deduction.

Selling restrictions:

The offer, sale and delivery of Debt Instruments and the distribution of this Information Memorandum and other material in relation to any Debt Instruments are subject to such restrictions as may apply in any country in connection with the offer and sale of a particular Tranche of Debt Instruments and intending purchasers and other investors should inform themselves about, and observe, any such restrictions.

In particular, restrictions on the offer or sale of Debt Instruments in Australia, the United Kingdom, the European Economic Area, the United States of America, Japan, Singapore and Hong Kong are set out in the section entitled “Selling and Distribution Restrictions” below.

Restrictions on the sale and/or distribution of other Debt Instruments will be set out in the relevant Pricing Supplement and/or another pricing supplement to this Information Memorandum.

Credit rating:

Debt Instruments to be issued under the Programme may be rated. Any then current rating may be set out in an applicable Pricing Supplement and/or Other Supplement.

**A credit rating is not a recommendation to buy, sell or hold Debt Instruments and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.**

*Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.*

Listing: The Issuer does not currently intend that the Debt Instruments will be listed on any stock exchange.

Investment Risks: This paragraph does not describe all the risks of an investment in the Debt Instruments. Prospective investors or purchasers should consult their own financial, legal and tax advisers about risks associated with an investment in any Debt Instruments in light of their particular circumstances.

In addition to the credit risks associated with the Issuer, an investment in certain types of structured Debt Instruments, the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or indirectly, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security purchased at the same time and/or that an investor could lose all or a substantial portion of the principal of those Debt Instruments.

Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Debt Instruments.

# MTN Conditions

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*The following are the conditions which, as supplemented, amended or replaced by the relevant Pricing Supplement, will apply to each MTN (“MTN Conditions”). References to the “Pricing Supplement” in these conditions do not limit the provisions which may be supplemented, amended or replaced by the Pricing Supplement in relation to a particular Series of MTNs.*

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## 1. Interpretation

### 1.1 Definitions

Unless the contrary intention appears:

**Additional Amount** means an additional amount payable by the Issuer under MTN Condition 14.2 (“Withholding tax”).

**Agency Agreement** means:

- (a) the agreement titled “The ASX Austraclear Registry and IPA Services Agreement” dated on or about 3 September 2013 between the Issuer and Austraclear Services Limited;
- (b) another agreement between the Issuer and the Registrar specified in the Pricing Supplement; or
- (c) another agency agreement between the Issuer and another Agent in relation to the MTNs.

**Agent** means the Registrar, the Calculation Agent and any additional agent appointed under an Agency Agreement.

**Amortised Face Amount** means, in relation to a Zero Coupon MTN or a Structured MTN, an amount equal to the sum of:

- (a) the Reference Price specified in the Pricing Supplement; and
- (b) the amount resulting from the application of the Accrual Yield specified in the Pricing Supplement (compounded annually) to the Reference Price from (and including) the Issue Date to (but excluding) the later of:
  - (i) the date fixed for redemption or (as the case may be) the earlier date the MTN becomes due and repayable; and
  - (ii) the date on which payment is made to MTN Holders under MTN Condition 11.9 (“Late payment”),

as further adjusted, if applicable, in the manner specified in the Pricing Supplement.

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

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

**Austraclear Regulations** means the regulations known as “Austraclear System Regulations” together with any instructions or directions (as amended or replaced from time to time) established by Austraclear to govern the use of the Austraclear System and binding on participants in that system.

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

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

**Business Day** means a day (not being a Saturday, Sunday or public holiday in the relevant place) on which banks are open for general banking business in each place specified in the Pricing Supplement and, if a MTN is to be issued or paid on that day, a day on which each Clearing System is operating.

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

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
  - (i) such date is brought forward to the first preceding day that is a Business Day; and
  - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and
- (e) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no convention is specified in the Pricing Supplement, the Modified Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates.

**Calculation Agent** means the Registrar or any other person specified in the Pricing Supplement as the party responsible for calculating the Interest Rate and other amounts required to be calculated under these MTN Conditions.

**Clearing System** means:

- (a) the Austraclear System; or
- (b) any other clearing system specified in the Pricing Supplement.

**Corporations Act** means the Corporations Act 2001 of Australia.

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

- (a) if “**Actual/Actual (ICMA)**” is so specified, means:
- (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (b) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
  - “**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
  - “**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
  - “**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
  - “**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
  - “**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;
- (f) if “**30E/360**” or “**Eurobond Basis**” is so specified means, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (g) if “**30E/360 (ISDA)**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and
- “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

- (h) if “**RBA Bond Basis**” or “**Australian Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
- (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

**Deed Poll** means the deed entitled “Second Debt Instrument Deed Poll” executed by the Issuer on 3 September 2013.

**Denomination** means the notional face value of a MTN specified in the Pricing Supplement.

**Details** means the section of the Deed Poll headed “Details”.

**Event of Default** means the happening of any event set out in MTN Condition 16 (“Events of Default”).

**Extraordinary Resolution** has the meaning given in the Meetings Provisions.

**Fixed Rate MTN** means a MTN on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption (or on any other dates specified in the Pricing Supplement).

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

**Governmental Agency** means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity. It also includes a self-regulatory organisation established under statute or a stock exchange.

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

**Information Memorandum** in respect of a MTN means the information memorandum, disclosure document (as defined in the Corporations Act) or other offering document referred to in the Pricing Supplement.

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

**Instalment MTN** means a MTN which is redeemable in one or more instalments as specified in the Pricing Supplement.

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

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

**Interest Payment Date** means each date so specified in, or determined in accordance with, the Pricing Supplement.

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

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date.

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

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

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

**Issuer** means the person named as such in the Details.

**Licence** means any authority to conduct banking business granted to the Issuer under the Banking Act 1959 of Australia.

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

**Maturity Date** means the date so specified in, or determined in accordance with, the Pricing Supplement.

**Meetings Provisions** means the provisions relating to meetings of Holders (as defined in the Deed Poll) and set out in schedule 1 of the Deed Poll.

**MTN** means a debt obligation issued or to be issued by the Issuer which is constituted by, and owing under the Deed Poll, the details of which are recorded in, and evidenced by entry in, the Register.

**MTN Holder** means, in respect of a MTN, the person whose name is entered in the Register as the holder of that MTN.

For the avoidance of doubt, where a MTN is held in a Clearing System, references to a MTN Holder include the operator of that system or a nominee for such operator or a common depository for one or more Clearing Systems (in each case acting in accordance with the rules and regulations of the Clearing System or Systems).

**Offshore Associate** means an associate (as defined in section 128F(9) of the Australian Tax Act) of the Issuer that is either:

- (a) a non-resident of Australia which does not acquire the MTNs in carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia that acquires the MTNs in carrying on a business at or through a permanent establishment outside Australia.

**Partly Paid MTN** means a MTN in relation to which the initial subscription moneys are payable to the Issuer in two or more instalments.

**Payment Date** means the Maturity Date, an Interest Payment Date or other relevant date on which the Issuer must make a payment under a MTN issued by it.

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

**Record Date** means the close of business in the place where the Register is maintained on:

- (a) the eighth calendar day before the Payment Date (in respect of MTNs lodged in the Austraclear System);
- (b) the calendar day before the Payment Date (in respect of MTNs lodged in another Clearing System); or
- (b) any other date so specified in the Pricing Supplement.

**Redemption Amount** means:

- (a) for a MTN (other than a Zero Coupon MTN or a Structured MTN), the outstanding principal amount as at the date of redemption;

- (b) for a Zero Coupon MTN, the Amortised Face Amount calculated as at the date of redemption; and
- (c) for a Structured MTN, the amount determined by the Calculation Agent in the manner specified in the Pricing Supplement,

and also includes any final instalment and any other amount in the nature of a redemption amount specified in, or determined in accordance with, the relevant Pricing Supplement or these MTN Conditions.

**Reference Banks** means the institutions so described in the Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate.

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

**Register** means the register, including any branch register, of holders of MTNs established and maintained by or on behalf of the Issuer under an Agency Agreement.

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

**Regular Period** means:

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

**Related Entity** has the meaning it has in the Corporations Act.

**Relevant Indebtedness** means any present or future indebtedness of the Issuer or a Subsidiary or any other person or entity in the form of, or represented by, bonds, notes, debentures, loan stock or other securities.

**Relevant Screen Page** means:

- (a) the page, section or other part of a particular information service (including the Reuters Monitor Money Rates Service and the Dow Jones Telerate Service) specified as the Relevant Screen Page in the Pricing Supplement; or
- (b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

**Relevant Tax Jurisdiction** means any country, or political sub-division of one or more countries, or any federation or association of countries:

- (a) in which the Issuer is either incorporated or is resident or domiciled for any tax purpose; or
- (b) from which, or through which, any payment in relation to a MTN is made.

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

**Security Interest** means any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind or any other right of, or arrangement with, any creditor to have its claims satisfied in priority to other creditors with, or from the proceeds of, any asset. Without limitation, it includes any “security interest” as defined in sections 12(1) or (2) (but not section 12(3)) of the Personal Property Securities Act 2009 of Australia (“PPSA”), but does not include:

- (i) Security Interests arising in the ordinary course of day-to-day trading;
- (ii) any lien arising by operation of law in the ordinary course of business;
- (iii) any charge or lien in favour of a Governmental Agency arising by operation of law; or
- (iv) deposits of money or property in the ordinary course of business by way of security for the performance of statutory obligations,

where there is no default in respect of the secured obligations.

**Series** means an issue of MTNs made up of one or more Tranches all of which form a single Series and are issued on the same MTN Conditions except that the Issue Date and Interest Commencement Date may be different in respect of different Tranches of a Series.

**Specified Office** means the office specified in the Information Memorandum or any other address notified to MTN Holders from time to time.

**Structured MTN** means:

- (a) an Index Linked MTN; or
- (b) an Instalment MTN.

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

**Taxes** means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the net income of the MTN Holder.

**Tranche** means an issue of MTNs specified as such in the Pricing Supplement issued on the same Issue Date and on the same MTN Conditions.

**Zero Coupon MTN** means a MTN which does not carry entitlement to periodic payment of interest before the redemption date of the MTN and which is issued at a discount to its principal amount.

## 1.2 References to certain general terms

Unless the contrary intention appears, a reference to:

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

- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) anything (including any amount) is a reference to the whole and each part of it;
- (d) a document (including these MTN Conditions) includes any variation or replacement of it;
- (e) a “law” includes common law, principles of equity and any law made by any parliament (and a law made by a parliament includes any regulation or other instrument under it, and any consolidation, amendment, re-enactment or replacement of it);
- (f) a “directive” includes a treaty, official directive, request, regulation, guideline or policy (whether or not in any such case having the force of law) with which responsible participants in the relevant market generally comply;
- (g) Australian dollars or A\$ is a reference to the lawful currency of Australia;
- (h) a time of day is a reference to Sydney time;
- (i) a “person” includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (j) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
- (k) the words “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

### **1.3 Number**

The singular includes the plural and vice versa.

### **1.4 Headings**

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

### **1.5 References to particular terms**

Unless the contrary intention appears:

- (a) a reference to the Issuer, the Registrar, the Calculation Agent or another Agent is a reference to the person so specified in the Pricing Supplement;
- (b) a reference to the Agency Agreement is a reference to the Agency Agreement applicable to the MTNs of the relevant Series;
- (c) a reference to a MTN is a reference to a MTN of a particular Series issued by the Issuer specified in the Pricing Supplement;
- (d) a reference to a MTN Holder is a reference to the holder of MTNs of a particular Series;
- (e) if the MTNs are Zero Coupon MTNs or Structured MTNs which do not bear interest, references to interest are not applicable; and
- (f) a reference to a particular date is a reference to that date adjusted in accordance with the applicable Business Day Convention.

## **1.6 References to principal and interest**

Unless the contrary intention appears:

- (a) any reference to “principal” is taken to include the Redemption Amount, any additional amounts in respect of principal which may be payable under MTN Condition 14 (“Taxation”), any premium payable by the Issuer in respect of a MTN and any other amount in the nature of principal payable in respect of the MTNs under these MTN Conditions;
- (b) the principal amount of a MTN issued at a discount is to be taken as at any time to equal the lesser of:
  - (i) its Denomination; and
  - (ii) if specified in the Pricing Supplement, its Amortised Face Amount at that time;
- (c) the principal amount of a MTN which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these MTN Conditions) is to be taken as at any time to equal its varied amount;
- (d) the principal amount of a Partly Paid MTN is to be taken to equal its paid up principal amount;
- (e) the principal amount of an Instalment MTN at any time is to be taken to be its Denomination less the total instalments repaid to the extent that such instalments relate to a repayment of principal; and
- (f) any reference to “interest” is taken to include any Additional Amounts and any other amount in the nature of interest payable in respect of the MTNs under these MTN Conditions.

## **1.7 Terms defined in Pricing Supplement**

Terms which are specified in the Pricing Supplement as having a defined meaning have the same meaning when used in these MTN Conditions, but if the Pricing Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to the MTNs.

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## **2. Introduction**

### **2.1 Programme**

MTNs are issued under a debt issuance programme established by the Issuer.

### **2.2 Pricing Supplement**

The Issuer will issue MTNS on the terms set out in these MTN Conditions as supplemented, amended, modified or replaced by the Pricing Supplement applicable to those MTNs. In the event of any inconsistency between these MTN Conditions and the Pricing Supplement, that Pricing Supplement prevails.

MTNs are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than, to the extent relevant, in respect of the issue price and the first payment of interest).

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

## 2.3 Types of MTNs

A MTN is either:

- (a) a Fixed Rate MTN;
- (b) a Floating Rate MTN;
- (c) a Zero Coupon MTN; or
- (d) a Structured MTN (being either an Index Linked MTN or an Instalment MTN),

or a combination of the above (or any other type of debt obligation including but not limited to any certificate of deposit), as specified in the relevant Pricing Supplement.

## 2.4 Denomination

MTNs are issued in a single Denomination as specified in the Pricing Supplement.

## 2.5 Currency

Subject to compliance with all applicable legal and regulatory requirements, MTNs may be denominated in Australian dollars or such other freely transferable and freely available currency or currencies specified in the Pricing Supplement.

## 2.6 Clearing Systems

MTNs may be held in a Clearing System, in which case the rights of a person holding an interest in the MTNs lodged in the Clearing System are subject to the rules and regulations of the Clearing System. The Issuer is not responsible for anything the Clearing System does or omits to do.

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## 3. Form

### 3.1 Constitution under Deed Poll

- (a) MTNs are debt obligations of the Issuer constituted by, and owing under, the Deed Poll; and
- (b) MTN Holders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Deed Poll.

### 3.2 Form

MTNs are issued in registered form by entry in the Register.

### 3.3 No certificates

No certificates will be issued to MTN Holders unless the Issuer determines that certificates should be available or are required by any applicable law or directive.

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## 4. Status and ranking

*Section 13A(3) of the Banking Act 1959 of Australia (“Banking Act”) provides that the assets of an authorised deposit-taking institution (“ADI”), which includes the Issuer, in Australia are, in the event of the ADI becoming unable to meet its obligations or suspending payment, available to meet that ADI’s specified liabilities (including, in the case of the Issuer, the MTNs) in priority to all other liabilities of that ADI. These specified liabilities include certain obligations of the ADI to the Australian Prudential Regulation Authority (“APRA”) in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in*

*Australia in relation to protected accounts, debts to the Reserve Bank of Australia (“RBA”) and certain other debts to APRA. A “protected account” is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by regulation.*

*Under Section 16(2) of the Banking Act, certain other debts of an ADI due to the APRA shall, in a winding-up of an ADI, have, subject to section 13A(3) of the Banking Act, priority over all other unsecured debts of that ADI. Further, under section 86 of the Reserve Bank Act 1959 of Australia, debts due by a bank, which includes the Issuer, to the RBA shall in a winding-up of that bank have, subject to sections 13A(2), priority over all other debts of that bank.*

*MTNs do not constitute protected accounts for the purposes of the Banking Act. Unless expressly stated otherwise, the Issuer does not make any representation as to whether the MTNs or any of them would constitute deposit liabilities in Australia under the Banking Act.*

*The liabilities which are preferred by law to the claim of a holder in respect of a MTN may be substantial and the MTN Conditions do not limit the amount of such liabilities which may be incurred or assumed by the Issuer.*

#### **4.1 Status of MTNs**

MTNs constitute direct, unconditional, unsubordinated and (subject to MTN Condition 5 (“Negative pledge”)) unsecured obligations of the Issuer.

#### **4.2 Ranking of MTNs**

MTNs rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for those expressed by their terms to rank in priority to the MTNs and those mandatorily preferred by law (including, but not limited to, sections 13A(3) and 16(2) of the Banking Act 1959 of Australia and section 86 of the Reserve Bank Act 1959 of Australia).

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### **5. Negative pledge**

#### **5.1 Negative pledge**

So long as any MTNs remain outstanding, the Issuer will not, and will ensure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future assets or revenues as security for any Relevant Indebtedness or any guarantee given in respect of any Relevant Indebtedness unless, in the case of the creation of the Security Interest, prior to or simultaneously therewith, and in any other case, promptly, the Issuer either:

- (a) grants or procures to be granted a Security Interest or Security Interests securing its obligations under the MTNs, equally and rateably in all respects so as to rank *pari passu* with the applicable Relevant Indebtedness or guarantee; or
- (b) grants or procures to be granted such other Security Interest or Security Interests in respect of its obligations under the MTNs, as shall be approved by an Extraordinary Resolution of the MTN Holders.

#### **5.2 Securitisation arrangements**

MTN Condition 5.1 (“Negative pledge”) will have no operation in relation to any assets or property of the Issuer or its Subsidiaries which the Issuer or its Subsidiaries assigns at law or in equity in connection with a securitisation or covered bond arrangement for those assets or property, provided that such assignment is on reasonable terms and the consideration for such assignment is not less than the then market value of the assigned assets or property. If any debts or securities are assigned, the market value will be the amount outstanding under such debts or secured by such securities, plus accrued interest up to the date of assignment.

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## **6. Title and transfer of MTNs**

### **6.1 Title**

Title to MTNs passes when details of the transfer are entered in the Register.

### **6.2 Effect of entries in Register**

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

- (a) an irrevocable undertaking by the Issuer to the MTN Holder to:
  - (i) pay principal, (if applicable) interest and any other amount in accordance with these MTN Conditions; and
  - (ii) otherwise comply with these MTN Conditions; and
- (b) an entitlement to the other benefits given to MTN Holders under these MTN Conditions in respect of the MTN.

### **6.3 Register conclusive as to ownership**

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

### **6.4 Non-recognition of interests**

Except as required by law, the Issuer and the Registrar must treat the person whose name is entered in the Register as the holder of a MTN as the absolute owner of that MTN. This MTN Condition 6.4 applies whether or not a MTN is overdue and despite any notice of ownership, trust or interest in the MTN.

### **6.5 Joint holders**

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

### **6.6 Transfers in whole**

MTNs may be transferred in whole but not in part in accordance with these MTN Conditions.

### **6.7 Compliance with law**

MTNs may only be transferred if:

- (a) in the case of MTNs to be transferred in, or into, Australia:
  - (i) the offer or invitation giving rise to the transfer does not constitute an offer or invitation for which disclosure is required to be made to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
  - (ii) does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
- (b) at all times, the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

## **6.8 Transfer procedures**

Interests in MTNs held in a Clearing System will be transferable only in accordance with the rules and regulations of that Clearing System. If the MTN is lodged in the Austraclear System, neither the Issuer nor the relevant Registrar will recognise any such interest other than the interest of Austraclear as the MTN Holder while that MTN is lodged in the Austraclear System.

Application for the transfer of MTNs not held in a Clearing System must be made by the lodgment of a transfer form with the Registrar at its Specified Office. Transfer forms must be in the form available from the Registrar (or such other person as may be specified in a Pricing Supplement). Each transfer form must be:

- (a) duly completed;
- (b) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and
- (c) signed by or on behalf of both the transferor and the transferee.

Transfers will be registered without charge provided all applicable Taxes have been paid.

Transfers of MTNs which are not lodged in a Clearing System cannot be made between a Record Date and the relevant Interest Payment Date if redemption of such MTN is to occur during that period in accordance with these MTN Conditions.

## **6.9 Effect of transfer**

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under these MTN Conditions in respect of the transferred MTNs and the transferee becomes so entitled in accordance with MTN Condition 6.2 ("Effect of entries in Register").

## **6.10 CHES**

MTNs which are listed on the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) will not be transferred through, or registered on, the Clearing House Electronic Sub-register System operated by ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 832) and will not be "Approved Financial Products" (as defined for the purposes of that system).

## **6.11 Austraclear as MTN Holder**

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

- (a) the Registrar's decision to act as the Registrar of that MTN is not a recommendation or endorsement by the Registrar or Austraclear in relation to that MTN, but only indicates that the Registrar considers that the holding of the MTN is compatible with the performance by it of its obligations as Registrar under the Agency Agreement; and
- (b) the MTN Holder does not rely on any fact, matter or circumstance contrary to paragraph (a).

## **6.12 Estates**

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

### **6.13 Unincorporated associations**

A transfer to an unincorporated association is not permitted.

### **6.14 Transfer of unidentified MTNs**

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

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## **7. Fixed Rate MTNs**

*This MTN Condition 7 applies to the MTNs only if the Pricing Supplement states that it applies.*

### **7.1 Interest on Fixed Rate MTNs**

Each Fixed Rate MTN bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate. Interest is payable in arrear on each Interest Payment Date.

### **7.2 Fixed Coupon Amount**

Unless otherwise provided in the Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period will be the Fixed Coupon Amount specified in the Pricing Supplement.

### **7.3 Calculation of interest payable**

The amount of interest payable in respect of a Fixed Rate MTN for any period for which a Fixed Coupon Amount is not specified in the Pricing Supplement is calculated by multiplying the Interest Rate for that period, the outstanding principal amount of the Fixed Rate MTN and the applicable Day Count Fraction.

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## **8. Floating Rate MTNs**

*This MTN Condition 8 applies to the MTNs only if the Pricing Supplement states that it applies.*

### **8.1 Interest on Floating Rate MTNs**

Each Floating Rate MTN bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

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

## 8.2 Interest Rate determination

The Interest Rate payable in respect of a Floating Rate MTN must be determined by the Calculation Agent in accordance with these MTN Conditions.

## 8.3 Fallback Interest Rate

Unless otherwise specified in the Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with MTN Condition 8.2 (“Interest Rate determination”), the Interest Rate for the Interest Period will be the Interest Rate applicable to the Floating Rate MTNs during the immediately preceding Interest Period.

## 8.4 ISDA Determination

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

In this MTN Condition 8:

- (a) “**ISDA Rate**” means for an Interest Period, a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction if the Calculation Agent for the Floating Rate MTNs were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option, the Designated Maturity and the Reset Date are as specified in the Pricing Supplement; and
  - (ii) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction; and
- (b) “**Swap Transaction**”, “**Floating Rate**”, “**Calculation Agent**” (except references to “Calculation Agent for the Floating Rate MTNs”), “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**”, “**Period End Date**”, “**Spread**” and “**Floating Rate Day Count Fraction**” have the meanings given to those terms in the ISDA Definitions.

## 8.5 Screen Rate Determination

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

In this MTN Condition 8, “**Screen Rate**” means, for an Interest Period, the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

- (a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the “**Screen Rate**” means the rate calculated by the Calculation Agent as the average of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation;
- (b) if an offered quotation is not displayed by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the “**Screen Rate**” means:

- (i) the rate the Calculation Agent calculates as the average mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre specified in the Pricing Supplement at the Relevant Time on the Interest Determination Date; or
  - (ii) where the Calculation Agent is unable to calculate a rate under paragraph (i) because it is unable to obtain at least two quotes, the rate the Calculation Agent calculates as the average of the rates (being the nearest equivalent to the Reference Rate) quoted by two or more banks chosen by the Calculation Agent in the Relevant Financial Centre at approximately the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith; or
- (c) if the Pricing Supplement specifies an alternative method for the determination of the Screen Rate Determination, then that alternative method will apply.

## 8.6 Bank Bill Rate Determination

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

In this MTN Condition 8:

- (a) **Bank Bill Rate** means, for an Interest Period, the average mid rate for Bills having a tenor closest to the Interest Period as displayed at approximately 10:10 am on the “BBSW” page (or any or any successor or replacement page) of the Reuters Monitor System on the first day of that Interest Period.

However, if the average mid rate is not displayed by 10:30 am on that day, or if it is displayed but the Issuer or the Calculation Agent determines that there is an obvious error in that rate, **Bank Bill Rate** means the rate determined by the Calculation Agent in good faith at approximately 10:30 am on that day, having regard, to the extent possible, to the rates otherwise bid and offered for bank accepted Bills of that tenor at or around that time by five major banks as determined by the Calculation Agent in the market most closely connected to such Bills, or (ii) if such determination cannot be made, to comparable indices then available (including any displayed on the “BBSY” or “BBSW” page of the Reuters Monitor System); and

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

## 8.7 Linear Interpolation

If the Pricing Supplement specifies that “Linear Interpolation” applies to an Interest Period, the Interest Rate for that Interest Period will be determined through the use of straight line interpolation by reference to two ISDA Rates, Screen Rates, Bank Bill Rates or other floating rates specified in the Pricing Supplement, one of which shall 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) and the other of which shall 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).

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## 9. Structured MTNs

*This MTN Condition 9 applies to the MTNs only if the Pricing Supplement states that it applies.*

## **9.1 Interest on Structured MTNs**

Each interest bearing Structured MTN bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

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

## **9.2 Interest Rate**

The Interest Rate payable in respect of an interest bearing Structured MTN must be determined in the manner specified in the Pricing Supplement.

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## **10. General provisions applicable to interest**

### **10.1 Maximum or Minimum Interest Rate**

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

### **10.2 Calculation of Interest Rate and interest payable**

The Calculation Agent must, as soon as practicable after determining the Interest Rate in relation to each Interest Period for each Floating Rate MTN and interest bearing Structured MTN, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of each such MTN.

Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the MTN by the applicable Day Count Fraction.

The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

### **10.3 Calculation of other amounts**

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

### **10.4 Notification of Interest Rate, interest payable and other items**

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

- (a) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date; and
- (b) any amendment to any amount, item or date referred to in paragraph (a) arising from any extension or reduction in any Interest Period or calculation period.

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

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

#### **10.5 Determination final**

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these MTN Conditions is, in the absence of manifest error, final and binding on the Issuer, the Registrar, each MTN Holder and each other Agent.

#### **10.6 Rounding**

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

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest four decimal places (with 0.00005 per cent. being rounded up to 0.0001 per cent.);
- (b) all figures must be rounded to four decimal places (with halves being rounded up); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to:
  - (i) in the case of Australian dollars, one cent; and
  - (ii) in the case of any other currency, the lowest amount of that currency available as legal tender in the country of that currency.

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### **11. Redemption and purchase**

#### **11.1 Scheduled redemption**

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

- (a) the MTN has been previously redeemed;
- (b) the MTN has been purchased and cancelled; or
- (c) the Pricing Supplement states that the MTN has no fixed Maturity Date.

#### **11.2 Partly Paid MTNs**

Partly Paid MTNs will be redeemed on their Maturity Date in accordance with the Pricing Supplement.

#### **11.3 Instalment MTNs**

Instalment MTNs will be partially redeemed in the Instalment Amounts and on the Instalment Dates specified in the Pricing Supplement. The principal amount of each Instalment MTN is reduced by the Instalment Amount with effect from the Instalment Date.

#### **11.4 Early redemption for taxation reasons**

The Issuer may redeem all (but not some) of the MTNs of a Series in whole before their Maturity Date at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date if the Issuer is required under MTN Condition 14.2 (“Withholding tax”) to increase the amount of a payment in respect of a MTN.

However, the Issuer may only do so if:

- (a) the Issuer has given at least 15 days’ (and no more than 60 days’) (or any other period specified in the Pricing Supplement) notice to the Registrar, the MTN Holders, each other Agent and any stock exchange or other relevant authority on which the MTNs are listed;
- (b) before the Issuer gives the notice under paragraph (a), the Registrar has received:
  - (i) a certificate signed by two directors of the Issuer; and
  - (ii) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer,  
  
that the Issuer would be required under MTN Condition 14.2 (“Withholding tax”) to increase the amount of the next payment due in respect of the MTNs;
- (c) in the case of Fixed Rate MTNs, no notice of redemption is given earlier than 90 days before the earliest date on which the Issuer would be obliged to pay Additional Amounts; and
- (d) in the case of Floating Rate MTNs and Structured MTNs bearing a floating rate of interest:
  - (i) the proposed redemption date is an Interest Payment Date; and
  - (ii) no notice of redemption is given earlier than 60 days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay Additional Amounts.

#### **11.5 Early redemption at the option of MTN Holders (MTN Holder put)**

If the Pricing Supplement states that a MTN Holder may require the Issuer to redeem all or some of the MTNs of a Series held by the MTN Holder before their Maturity Date, the Issuer must redeem the MTNs specified by the MTN Holder at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date if the following conditions are satisfied:

- (a) the amount of MTNs to be redeemed is a multiple of their Denomination;
- (b) the MTN Holder has given at least 30 days’ (and no more than 60 days’) (or any other period specified in the Pricing Supplement) notice, to the Issuer and the Registrar by delivering to the Specified Office of the Registrar during normal business hours a completed and signed redemption notice in the form obtainable from the Registrar, together with any evidence the Registrar may require to establish title of the MTN Holder to the MTN;
- (c) the notice referred to in paragraph (b) specifies an account in the country of the currency in which the MTN is denominated to which the payment should be made or an address to where a cheque for payment should be sent;
- (d) the redemption date is an Early Redemption Date (Put) specified in the Pricing Supplement; and
- (e) any other condition specified in the Pricing Supplement is satisfied.

A MTN Holder may not require the Issuer to redeem any MTN under this MTN Condition 11.5 if the Issuer has given notice that it will redeem the MTN under MTN Condition 11.4 (“Early redemption for taxation reasons”) or MTN Condition 11.6 (“Early redemption at the option of the Issuer (Issuer call”).

#### **11.6 Early redemption at the option of the Issuer (Issuer call)**

If the Pricing Supplement states that the Issuer may redeem all or some of the MTNs of a Series before their Maturity Date under this MTN Condition, the Issuer may redeem so many of the MTNs specified in the Pricing Supplement at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date.

However, the Issuer may only do so if:

- (a) the amount of MTNs to be redeemed is a multiple of, their Denomination;
- (b) the Issuer has given at least 30 days’ (and no more than 60 days’) (or any other period specified in the Pricing Supplement) notice to the Registrar, the MTN Holders, each other Agent and any stock exchange or other relevant authority on which the MTNs are listed;
- (c) the proposed redemption date is an Early Redemption Date (Call) specified in the Pricing Supplement; and
- (d) any other condition specified in the Pricing Supplement is satisfied.

#### **11.7 Partial redemptions**

If only some of the MTNs are to be redeemed under MTN Condition 11.6 (“Early redemption at the option of the Issuer (Issuer call”), the MTNs to be redeemed will be specified in the notice and selected by the Issuer:

- (a) in a fair and reasonable manner under the circumstances of the proposed redemption and having regard to prevailing market practice; and
- (b) in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the MTNs are listed.

#### **11.8 Effect of notice of redemption**

Any notice of redemption given under this MTN Condition 11 is irrevocable.

#### **11.9 Late payment**

If an amount is not paid under this MTN Condition 11 when due, then:

- (a) for a MTN (other than a Zero Coupon MTN or a Structured MTN), interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the MTN Holder;
- (b) for a Zero Coupon MTN, the obligation to pay the amount is replaced by an obligation to pay the Amortised Face Amount recalculated as at the date on which payment is made to the MTN Holder; and
- (c) for a Structured MTN as specified in the Pricing Supplement:
  - (i) interest continues to accrue at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the MTN Holder; or

- (ii) the obligation to pay the amount is replaced by an obligation to pay an amount determined in the manner specified in the Pricing Supplement.

### **11.10 Purchase**

The Issuer and any of its Related Entities may at any time purchase MTNs in the open market or otherwise and at any price. Purchasers may be made by tender offers. Tender offers are subject to applicable law in any relevant jurisdiction. MTNs purchased under this MTN Condition 11.10 may be held, resold or cancelled at the discretion of the purchaser and (if the MTNs are to be cancelled, the Issuer), subject to compliance with any applicable law, regulatory requirement or requirement of any stock exchange or other relevant authority on which the MTNs are listed.

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## **12. General provisions**

### **12.1 Summary of payment provisions**

Payments in respect of MTNs will be made in accordance with MTN Condition 13 ("Payments").

### **12.2 Payments subject to law**

All payments are subject to applicable law but without prejudice to the provisions of MTN Condition 14 ("Taxation").

### **12.3 Payments on Business Days**

If a payment:

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

and in either case, the MTN Holder is not entitled to any additional payment in respect of that delay.

### **12.4 Currency indemnity**

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

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

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## **13. Payments**

### **13.1 Payment of principal**

Payments of principal and any final Instalment Amount will be made to each person registered at 10.00 am on the Payment Date as the holder of a MTN.

### **13.2 Payment of interest**

Payments of interest and Instalment Amounts (other than the final Instalment Amount) in respect of a MTN will be made on the Payment Date to each person registered at the close of business on the Record Date as the holder of that MTN.

### **13.3 Payments to accounts**

Payments in respect of MTNs will be made:

- (a) if the MTNs are held in the Austraclear System, by crediting on the Payment Date, the amount due to:
  - (i) the account of Austraclear (as the MTN Holder) in the country of the currency in which the MTN is denominated previously notified to the Issuer and the Registrar; or
  - (ii) if requested by Austraclear, the accounts of the persons in whose Security Record (as defined in the Austraclear Regulations) a MTN is recorded in the country of the currency in which the MTN is denominated as previously notified by Austraclear to the Issuer and the Registrar in accordance with the Austraclear Regulations; and
- (b) if the MTNs are not held in the Austraclear System, by crediting on the Payment Date, the amount then due under each MTN to an account in the country of the currency in which the MTN is denominated previously notified by the MTN Holder to the Issuer and the Registrar.

### **13.4 Payments by cheque**

If a MTN Holder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Record Date, payments in respect of the MTN will be made by cheque sent by prepaid post on the Business Day immediately before the Payment Date, at the risk of the registered MTN Holder, to the MTN Holder (or to the first named joint holder of the MTN) at its address appearing in the Register at the close of business on the Record Date. Cheques sent to the nominated address of a MTN Holder will be taken to have been received by the MTN Holder on the Payment Date and no further amount will be payable by the Issuer in respect of the MTNs as a result of the MTN Holder not receiving payment on the due date.

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## **14. Taxation**

### **14.1 No set-off, counterclaim or deductions**

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

### **14.2 Withholding tax**

Subject to MTN Condition 14.3 ("Withholding tax exemptions"), if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the MTNs such that the MTN Holder would not actually receive on the due date the full amount provided for under the MTNs, then:

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

### **14.3 Withholding tax exemptions**

No Additional Amounts are payable under MTN Condition 14.2(b) ("Withholding tax") in respect of any MTN:

- (a) to, or to a third party on behalf of, a MTN Holder who is liable to such Taxes in respect of such MTN by reason of the person having some connection with a Relevant Tax Jurisdiction other than the mere holding of such MTN or receipt of payment in respect of the MTN;
- (b) to, or to a third party on behalf of, a MTN Holder who could lawfully avoid (but has not so avoided) such Taxes by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar case for exemption to any tax authority;
- (c) to, or to a third party on behalf of, a MTN Holder who is an Offshore Associate of the Issuer and not acting 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;
- (d) to, or to a third party on behalf of an Australian resident MTN Holder or a non-resident MTN Holder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if the MTN Holder has not supplied an appropriate tax file number, an Australian business number or other exemption details; or
- (e) in such other circumstances as may be specified in the Pricing Supplement.

The Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**") as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA Withholding. The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, an Agent or any other party.

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### **15. Time limit for claims**

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

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### **16. Events of Default**

#### **16.1 Events of Default for MTNs**

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

- (a) **(non-payment)** the Issuer fails to pay any principal in respect of the MTNs of the relevant Series or fails to pay interest in respect of the MTNs of the relevant Series (or, in each case, any of them) and in the latter case the failure continues for a period of 5 Business Days;
- (b) **(other obligations)** the Issuer fails to comply with any of its material obligations under a MTN (other than in relation to the payment of money referred to in paragraph (a)) and, if that failure is capable of remedy, it is not remedied within 15 Business Days of notice requiring remedy from the MTN Holder;
- (c) **(invalidity)** a MTN ceases to have full force and effect (other than by reason of repayment or purchase by the Issuer and cancellation) or its validity or enforceability is denied or disaffirmed by the Issuer or is declared by any court of competent jurisdiction to be void or unenforceable;
- (d) **(insolvency)** an administrator, liquidator, receiver or other Controller (as defined in the Corporations Act) is appointed to the Issuer or the Issuer becomes insolvent, is unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of its debts generally;
- (e) **(change in role)** the Issuer ceases to carry on business generally and either:
  - (i) no other body corporate; or
  - (ii) a body corporate that:
    - (A) is not a related body corporate (as defined in the Corporations Act); or
    - (B) has not been consented to by an Extraordinary Resolution of the MTN Holders (that consent not to be unreasonably withheld or delayed),

assumes the business of the Issuer (including the obligations of the Issuer under the MTNs);
- (f) **(arrangements with creditors)** except for the purpose of a solvent reconstruction or amalgamation, the Issuer enters into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them;
- (g) **(enforcement against assets)** a Security Interest is enforced, or a distress, attachment or other execution is enforced or levied (and not satisfied within 21 days), over all or any substantial part of the assets of the Issuer; or
- (h) **(Licence)** the Licence is revoked or cancelled or otherwise ceases to be in full force and effect and (in the case of cancellation) is not promptly replaced with a licence on substantially similar terms.

## 16.2 Consequences of an Event of Default

If any Event of Default occurs and continues unremedied in relation to the MTNs, then a MTN Holder may declare by notice to the Issuer (with a copy to the Registrar) that each MTN held by it is to be redeemed at its Redemption Amount (together with any accrued interest) in which case such amounts become immediately due and payable.

## 16.3 Notification

If an Event of Default occurs, the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default (specifying details of it) and use its reasonable endeavours to procure that the Registrar promptly notifies MTN Holders, each

other Agent and any stock exchange or other relevant authority on which the MTNs are listed of the occurrence of the Event of Default.

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## **17. Agents**

### **17.1 Role of Agents**

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any MTN Holder.

### **17.2 Appointment and replacement of Agents**

Each initial Agent for the MTNs is specified in the Pricing Supplement. Subject to MTN Condition 17.4 (“Required Agents”), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

### **17.3 Change of Agent**

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

### **17.4 Required Agents**

The Issuer must:

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

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## **18. Meetings of MTN Holders**

The Meetings Provisions contain provisions (which have effect as if incorporated in these MTN Conditions) for convening meetings of the MTN Holders of any Series to consider any matter affecting their interests, including any variation of these MTN Conditions by Extraordinary Resolution.

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## **19. Variation**

### **19.1 Variation with consent**

Unless MTN Condition 19.2 (“Variation without consent”) applies, any MTN Condition may be varied by the Issuer with prior approval from MTN Holders of the Series by Extraordinary Resolution in accordance with the Meetings Provisions.

### **19.2 Variation without consent**

Any MTN Condition may be amended by the Issuer without the consent of the MTN Holders if the amendment:

- (a) is of a formal, minor or technical nature;
- (b) is made to correct a manifest error;
- (c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision and, in the reasonable opinion of the Issuer, is not materially prejudicial to the interests of the MTN Holders;

- (d) is to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
- (e) only applies to MTNs issued after the date of amendment.

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## **20. Further issues**

The Issuer may from time to time, without the consent of the MTN Holders, issue further MTNs having the same MTN Conditions as the MTNs of any Series in all respects (or in all respects except for the Issue Date and the date for the first payment of interest, if any, on them) so as to form a single series with the MTNs of that Series.

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## **21. Notices**

### **21.1 Notices to MTN Holders**

All notices and other communications to the MTN Holders must be in writing and sent by prepaid post (airmail if appropriate) to or left at the address of the MTN Holder (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the notice or communication) and may also be:

- (a) given by an advertisement published in *The Australian Financial Review* or *The Australian*; or
- (b) if the Pricing Supplement specifies an additional or alternate newspaper, given by an advertisement published in that newspaper.

### **21.2 Notices to the Issuer and the Agents**

All notices and other communications to the Issuer or an Agent must be in writing and may be sent by prepaid post (airmail if appropriate) to or left at the Specified Office of the Issuer or the Agent.

### **21.3 When effective**

Notices and other communications take effect from the time they are taken to be received unless a later time is specified in them.

### **21.4 Receipt - publication in newspaper**

If published in a newspaper, a notice or other communication is taken to be received on the first date that publication has been made in all the required newspapers.

### **21.5 Deemed receipt - postal**

If sent by post, notices or other communications are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

### **21.6 Deemed receipt - general**

Despite Condition 21.5 ("Deemed receipt - postal"), if notices or other communications are received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day.

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**22. Governing law****22.1 Governing law**

MTNs are governed by the law in force in New South Wales.

**22.2 Jurisdiction**

The Issuer submits and each MTN Holder is taken to have submitted to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

**22.3 Serving documents**

Without preventing any other method of service, any document in any action may be served on the Issuer or a MTN Holder by being delivered or left at the person's registered office or principal place of business.

# Transferable Deposit Conditions

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*The following are the conditions which, as supplemented, amended or replaced by the relevant Pricing Supplement, will apply to each Transferable Deposit (“**Transferable Deposit Conditions**”). References to the “Pricing Supplement” in these conditions do not limit the provisions which may be supplemented, amended or replaced by the Pricing Supplement in relation to a particular Series of Transferable Deposits.*

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## 1. Interpretation

### 1.1 Definitions

Unless the contrary intention appears:

**Agency Agreement** means:

- (a) the agreement titled “The ASX Austraclear Registry and IPA Services Agreement” dated on or about 3 September 2013 between the Issuer and Austraclear Services Limited;
- (b) another agreement between the Issuer and the Registrar specified in the Pricing Supplement; or
- (c) another agency agreement between the Issuer and another Agent in relation to the Transferable Deposits.

**Agent** means the Registrar, the Calculation Agent and any additional agent appointed under an Agency Agreement.

**Amortisation Yield** means the amortisation yield specified in, or calculated or determined in accordance with the provisions of the Pricing Supplement.

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

**Austraclear Regulations** means the regulations known as “Austraclear System Regulations” together with any instructions or directions (as amended or replaced from time to time) established by Austraclear to govern the use of the Austraclear System and binding on participants in that system.

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

**Business Day** means a day (not being a Saturday, Sunday or public holiday in the relevant place) on which banks are open for general banking business in each place specified in the Pricing Supplement and, if a Transferable Deposit is to be issued or paid on that day, a day on which each Clearing System is operating.

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

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
  - (i) such date is brought forward to the first preceding day that is a Business Day; and

- (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and
- (e) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no convention is specified in the Pricing Supplement, the Modified Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates.

**Calculation Agent** means the Registrar or any other person specified in the Pricing Supplement as the party responsible for calculating the Interest Rate and other amounts required to be calculated under these Transferable Deposit Conditions.

**Clearing System** means:

- (a) the Austraclear System; or
- (b) any other clearing system specified in the Pricing Supplement.

**Corporations Act** means the Corporations Act 2001 of Australia.

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

- (a) if “**Actual/Actual (ICMA)**” is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (b) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365;
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (f) if “**30E/360**” or “**Eurobond Basis**” is so specified means, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30

- (g) if “**30E/360 (ISDA)**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

- (h) if “**RBA Bond Basis**” or “**Australian Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

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

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

**Deed Poll** means the deed entitled “Second Debt Instrument Deed Poll” executed by the Issuer on 3 September 2013.

**Denomination** means the notional face value of a Transferable Deposit specified in the Pricing Supplement.

**Details** means the section of the Deed Poll headed “Details”.

**Event of Default** means the happening of any event set out in Transferable Deposit Condition 14 (“Events of Default”).

**Extraordinary Resolution** has the meaning given in the Meetings Provisions.

**Governmental Agency** means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity. It also includes a self-regulatory organisation established under statute or a stock exchange.

**Information Memorandum** in respect of a Transferable Deposit means the information memorandum, disclosure document (as defined in the Corporations Act) or other offering document referred to in the Pricing Supplement.

**Interest Commencement Date** means, for a Transferable Deposit, the Issue Date of the Transferable Deposit or any other date so specified in the Pricing Supplement.

**Interest Payment Date** means each date so specified in, or determined in accordance with, the Pricing Supplement.

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

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date.

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

**Issue Date** means the date on which a Transferable Deposit is, or is to be issued, as specified in, or determined in accordance with, the Pricing Supplement.

**Issuer** means the person named as such in the Details.

**Licence** means any authority to conduct banking business granted to the Issuer under the Banking Act 1959 of Australia.

**Maturity Date** means the date so specified in, or determined in accordance with, the Pricing Supplement.

**Meetings Provisions** means the provisions relating to meetings of Holders (as defined in the Deed Poll) and set out in the Deed Poll.

**Payment Date** means the Maturity Date, an Interest Payment Date or other relevant date on which the Issuer must make a payment under a Transferable Deposit issued by it.

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

**Record Date** means the close of business in the place where the Register is maintained on

- (a) the eighth calendar day before the Payment Date (in respect of Transferable Deposits lodged in the Austraclear System);
- (b) the calendar day before the Payment Date (in respect of Transferable Deposits lodged in another Clearing System); or
- (b) any other date so specified in the Pricing Supplement.

**Redemption Amount** means for a Transferable Deposit the outstanding principal amount as at the date of redemption and also includes any final instalment and any other amount in the nature of a redemption amount specified in, or determined in accordance with, the relevant Pricing Supplement or these Transferable Deposit Conditions.

**Register** means the register, including any branch register, of holders of Transferable Deposits established and maintained by or on behalf of the Issuer under an Agency Agreement.

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

**Regular Period** means:

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

**Related Entity** has the meaning it has in the Corporations Act.

**Relevant Indebtedness** means any present or future indebtedness of the Issuer or a Subsidiary or any other person or entity in the form of, or represented by, bonds, notes, debentures, loan stock or other securities.

**Security Interest** means any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind or any other right of, or arrangement with, any creditor to have its claims satisfied in priority to other creditors with, or from the proceeds of, any asset. Without limitation, it includes any “security interest” as defined in sections 12(1) or (2) (but not section 12(3)) of the Personal Property Securities Act 2009 of Australia (“**PPSA**”), but does not include:

- (i) Security Interests arising in the ordinary course of day-to-day trading;
- (ii) any lien arising by operation of law in the ordinary course of business;
- (iii) any charge or lien in favour of a Governmental Agency arising by operation of law; or
- (iv) deposits of money or property in the ordinary course of business by way of security for the performance of statutory obligations,

where there is no default in respect of the secured obligations.

**Series** means an issue of Transferable Deposits made up of one or more Tranches all of which form a single Series and are issued on the same Transferable Deposit Conditions except that the Issue Date and Interest Commencement Date may be different in respect of different Tranches of a Series.

**Specified Office** means the office specified in the Information Memorandum or any other address notified to Transferable Deposit Holders from time to time.

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

**Taxes** means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and

expenses in connection with them, except if imposed on, or calculated having regard to, the net income of the Transferable Deposit Holder.

**Tranche** means an issue of Transferable Deposits specified as such in the Pricing Supplement issued on the same Issue Date and on the same Transferable Deposit Conditions.

**Transferable Deposit** means a debt obligation representing an amount deposited with the Issuer issued or to be issued by the Issuer which is constituted by, and owing under the Deed Poll, the details of which are recorded in, and evidenced by entry in, the Register.

**Transferable Deposit Holder** means, in respect of a Transferable Deposit, the person whose name is entered in the Register as the holder of that Transferable Deposit.

For the avoidance of doubt, where a Transferable Deposit is held in a Clearing System, references to a Transferable Deposit Holder include the operator of that system or a nominee for such operator or a common depository for one or more Clearing Systems (in each case acting in accordance with the rules and regulations of the Clearing System or Systems).

## 1.2 References to certain general terms

Unless the contrary intention appears, a reference to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) anything (including any amount) is a reference to the whole and each part of it;
- (d) a document (including these Transferable Deposit Conditions) includes any variation or replacement of it;
- (e) a “law” includes common law, principles of equity and any law made by any parliament (and a law made by a parliament includes any regulation or other instrument under it, and any consolidation, amendment, re-enactment or replacement of it);
- (f) a “directive” includes a treaty, official directive, request, regulation, guideline or policy (whether or not in any such case having the force of law) with which responsible participants in the relevant market generally comply;
- (g) Australian dollars or A\$ is a reference to the lawful currency of Australia;
- (h) a time of day is a reference to Sydney time;
- (i) a “person” includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (j) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
- (k) the words “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

## 1.3 Number

The singular includes the plural and vice versa.

#### **1.4 Headings**

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

#### **1.5 References to particular terms**

Unless the contrary intention appears:

- (a) a reference to the Issuer, the Registrar, the Calculation Agent or another Agent is a reference to the person so specified in the Pricing Supplement;
- (b) a reference to the Agency Agreement is a reference to the Agency Agreement applicable to the Transferable Deposits of the relevant Series;
- (c) a reference to a Transferable Deposit is a reference to a Transferable Deposit of a particular Series issued by the Issuer specified in the Pricing Supplement;
- (d) a reference to a Transferable Deposit Holder is a reference to the holder of Transferable Deposits of a particular Series;
- (e) if the Transferable Deposits do not bear interest, references to interest are not applicable; and
- (f) a reference to a particular date is a reference to that date adjusted in accordance with the applicable Business Day Convention.

#### **1.6 References to principal and interest**

Unless the contrary intention appears:

- (a) any reference to “principal” is taken to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Transferable Deposit Condition 12 (“Taxation”), any premium payable by the Issuer in respect of a Transferable Deposit and any other amount in the nature of principal payable in respect of the Transferable Deposits under these Transferable Deposit Conditions;
- (b) the principal amount of a Transferable Deposit which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these Transferable Deposit Conditions) is to be taken as at any time to equal its varied amount;
- (c) any reference to “interest” is taken to include any additional amounts and any other amount in the nature of interest payable in respect of the Transferable Deposits under these Transferable Deposit Conditions.

#### **1.7 Terms defined in Pricing Supplement**

Terms which are specified in the Pricing Supplement as having a defined meaning have the same meaning when used in these Transferable Deposit Conditions, but if the Pricing Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to the Transferable Deposits.

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## **2. Introduction**

### **2.1 Programme**

Transferable Deposits are issued under a debt issuance programme established by the Issuer.

## **2.2 Pricing Supplement**

The Issuer will issue Transferable Deposits on the terms set out in these Transferable Deposit Conditions as supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Transferable Deposits. In the event of any inconsistency between these Transferable Deposit Conditions and the Pricing Supplement, that Pricing Supplement prevails.

Transferable Deposits are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than, to the extent relevant, in respect of the issue price and the first payment of interest).

Copies of the Pricing Supplement are available for inspection or upon request by a Transferable Deposit Holder or prospective Transferable Deposit Holder during normal business hours at the Specified Office of the Issuer or the Registrar.

## **2.3 Types of Transferable Deposits**

A Transferable Deposit is either:

- (a) interest-bearing; or
- (b) non-interest bearing,

as specified in the applicable Pricing Supplement.

## **2.4 Currency and Denomination**

Transferable Deposits are issued in Australian dollars and in a single Denomination as specified in the Pricing Supplement.

## **2.5 Clearing Systems**

Transferable Deposits may be held in a Clearing System, in which case the rights of a person holding an interest in the Transferable Deposits lodged in the Clearing System are subject to the rules and regulations of the Clearing System. The Issuer is not responsible for anything the Clearing System does or omits to do.

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## **3. Form**

### **3.1 Constitution under Deed Poll**

- (a) Transferable Deposits are debt obligations of the Issuer constituted by, and owing under, the Deed Poll; and
- (b) Transferable Deposit Holders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Deed Poll.

### **3.2 Form**

Transferable Deposits are issued in registered form by entry in the Register.

### **3.3 No certificates**

No certificates will be issued to Transferable Deposit Holders unless the Issuer determines that certificates should be available or are required by any applicable law or directive.

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#### 4. Status and ranking

Section 13A(3) of the Banking Act 1959 of Australia ("**Banking Act**") provides that the assets of an authorised deposit-taking institution ("**ADI**"), which includes the Issuer, in Australia are, in the event of the ADI becoming unable to meet its obligations or suspending payment, available to meet that ADI's specified liabilities (including, in the case of the Issuer, the Transferable Deposits) in priority to all other liabilities of that ADI. These specified liabilities include certain obligations of the ADI to the Australian Prudential Regulation Authority ("**APRA**") in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the Reserve Bank of Australia ("**RBA**") and certain other debts to APRA. A "protected account" is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by regulation.

Under Section 16(2) of the Banking Act, certain other debts of an ADI due to APRA shall, in a winding-up of an ADI, have, subject to section 13A(3) of the Banking Act, priority over all other unsecured debts of that ADI. Further, under section 86 of the Reserve Bank Act 1959 of Australia, debts due by a bank, which includes the Issuer, to the RBA shall in a winding-up of that bank have, subject to sections 13A(2), priority over all other debts of that bank.

Transferable Deposits do not constitute protected accounts for the purposes of the Banking Act. Unless expressly stated otherwise, the Issuer does not make any representation as to whether the Transferable Deposits or any of them would constitute deposit liabilities in Australia under the Banking Act.

The liabilities which are preferred by law to the claim of a holder in respect of a Transferable Deposit may be substantial and the Transferable Deposit Conditions do not limit the amount of such liabilities which may be incurred or assumed by the Issuer.

##### 4.1 Status of Transferable Deposits

Transferable Deposits constitute direct, unconditional, unsubordinated and (subject to Transferable Deposits Condition 5 ("Negative pledge")) unsecured obligations of the Issuer.

##### 4.2 Ranking of Transferable Deposits

Transferable Deposits rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for those expressed by their terms to rank in priority to the Transferable Deposits and those mandatorily preferred by law (including, but not limited to, sections 13A(3) and 16(2) of the Banking Act 1959 of Australia and section 86 of the Reserve Bank Act 1959 of Australia).

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#### 5. Negative pledge

##### 5.1 Negative pledge

So long as any Transferable Deposits remain outstanding, the Issuer will not, and will ensure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future assets or revenues as security for any Relevant Indebtedness or any guarantee given in respect of any Relevant Indebtedness unless, in the case of the creation of the Security Interest, prior to or simultaneously therewith, and in any other case, promptly, the Issuer either:

- (a) grants or procures to be granted a Security Interest or Security Interests securing its obligations under the Transferable Deposits, equally and rateably in all respects so as to rank *pari passu* with the applicable Relevant Indebtedness or guarantee; or

- (b) grants or procures to be granted such other Security Interest or Security Interests in respect of its obligations under the Transferable Deposits, as shall be approved by an Extraordinary Resolution of the Transferable Deposit Holders.

## **5.2 Securitisation arrangements**

Transferable Deposit Condition 5.1 (“Negative pledge”) will have no operation in relation to any assets or property of the Issuer or its Subsidiaries which the Issuer or its Subsidiaries assigns at law or in equity in connection with a securitisation or covered bond arrangement for those assets or property, provided that such assignment is on reasonable terms and the consideration for such assignment is not less than the then market value of the assigned assets or property. If any debts or securities are assigned, the market value will be the amount outstanding under such debts or secured by such securities, plus accrued interest up to the date of assignment.

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## **6. Title and transfer of Transferable Deposits**

### **6.1 Title**

Title to Transferable Deposits passes when details of the transfer are entered in the Register.

### **6.2 Effect of entries in Register**

Each entry in the Register in respect of a Transferable Deposit constitutes:

- (a) an irrevocable undertaking by the Issuer to the Transferable Deposit Holder to:
  - (i) pay principal, (if applicable) interest and any other amount in accordance with these Transferable Deposit Conditions; and
  - (ii) otherwise comply with these Transferable Deposit Conditions; and
- (b) an entitlement to the other benefits given to Transferable Deposit Holders under these Transferable Deposit Conditions in respect of the Transferable Deposit.

### **6.3 Register conclusive as to ownership**

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

### **6.4 Non-recognition of interests**

Except as required by law, the Issuer and the Registrar must treat the person whose name is entered in the Register as the holder of a Transferable Deposit as the absolute owner of that Transferable Deposit. This Transferable Deposit Condition 6.4 applies whether or not a Transferable Deposit is overdue and despite any notice of ownership, trust or interest in the Transferable Deposit.

### **6.5 Joint holders**

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

## **6.6 Transfers in whole**

Transferable Deposits may be transferred in whole but not in part in accordance with these Transferable Deposit Conditions.

## **6.7 Compliance with law**

Transferable Deposits may only be transferred if:

- (a) in the case of Transferable Deposits to be transferred in, or into, Australia:
  - (i) the offer or invitation giving rise to the transfer does not constitute an offer or invitation for which disclosure is required to be made to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
  - (ii) does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
- (b) at all times, the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

## **6.8 Transfer procedures**

Interests in Transferable Deposits held in a Clearing System will be transferable only in accordance with the rules and regulations of that Clearing System. If the Transferable Deposit is lodged in the Austraclear System, neither the Issuer nor the relevant Registrar will recognise any such interest other than the interest of Austraclear as the Transferable Deposit Holder while that Transferable Deposit is lodged in the Austraclear System.

Application for the transfer of Transferable Deposits not held in a Clearing System must be made by the lodgment of a transfer form with the Registrar at its Specified Office. Transfer forms must be in the form available from the Registrar (or such other person as may be specified in a Pricing Supplement). Each transfer form must be:

- (a) duly completed;
- (b) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and
- (c) signed by or on behalf of both the transferor and the transferee.

Transfers will be registered without charge provided all applicable Taxes have been paid.

Transfers of Transferable Deposits which are not lodged in a Clearing System cannot be made between a Record Date and the relevant Interest Payment Date if redemption of such Transferable Deposit is to occur during that period in accordance with these Transferable Deposit Conditions.

## **6.9 Effect of transfer**

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under these Transferable Deposit Conditions in respect of the transferred Transferable Deposits and the transferee becomes so entitled in accordance with Transferable Deposit Condition 6.2 (“Effect of entries in Register”).

## **6.10 Austraclear as Transferable Deposit Holder**

If Austraclear is recorded in the Register as the Transferable Deposit Holder, each person in whose Security Record (as defined in the Austraclear Regulations) a Transferable Deposit is recorded is taken to acknowledge in favour of the Issuer, the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of that Transferable Deposit is not a recommendation or endorsement by the Registrar or Austraclear in relation to that Transferable Deposit, but only indicates that the Registrar considers that the holding of the Transferable Deposit is compatible with the performance by it of its obligations as Registrar under the Agency Agreement; and
- (b) the Transferable Deposit Holder does not rely on any fact, matter or circumstance contrary to paragraph (a).

### **6.11 Estates**

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

### **6.12 Unincorporated associations**

A transfer to an unincorporated association is not permitted.

### **6.13 Transfer of unidentified Transferable Deposits**

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

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## **7. Interest**

### **7.1 Interest-bearing Transferable Deposits**

Transferable Deposits which are specified in the Pricing Supplement as being interest-bearing bear interest from their Interest Commencement Date at the Interest Rate and such interest is payable in arrears on each Interest Payment Date.

Interest accrues from the Interest Commencement Date on the outstanding principal amount. Interest will cease to accrue on the Maturity Date of a Transferable Deposit unless default is made in the payment of any principal amount in which case interest continues to accrue on the principal amount in respect of which payment has been improperly withheld or refused (as well after as before any demand or judgment) at the Interest Rate then applicable or such other rate as may be specified for this purpose in the Pricing Supplement until the date on which the relevant payment is made.

### **7.2 Non-interest bearing Transferable Deposits**

If any Redemption Amount in respect of any Transferable Deposit which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield or at such other rate as may be specified for this purpose in the Pricing Supplement.

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## **8. General provisions applicable to interest**

### **8.1 Maximum or Minimum Interest Rate**

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

### **8.2 Calculation of Interest Rate and interest payable**

The Calculation Agent must calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of each such Transferable Deposit.

Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the Transferable Deposit by the applicable Day Count Fraction.

The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

### **8.3 Calculation of other amounts**

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

### **8.4 Notification of Interest Rate, interest payable and other items**

The Calculation Agent must notify the Issuer, the Registrar, the Transferable Deposit Holders, each other Agent and any stock exchange or other relevant authority on which the Transferable Deposits are listed of:

- (a) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date; and
- (b) any amendment to any amount, item or date referred to in paragraph (a) arising from any extension or reduction in any Interest Period or calculation period.

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

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

### **8.5 Determination final**

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Transferable Deposit Conditions is, in the absence of manifest error, final and binding on the Issuer, the Registrar, each Transferable Deposit Holder and each other Agent.

## **8.6 Rounding**

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

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest four decimal places (with 0.00005 per cent. being rounded up to 0.0001 per cent.);
- (b) all figures must be rounded to four decimal places (with halves being rounded up); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to, in the case of Australian dollars, one cent.

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## **9. Redemption and purchase**

### **9.1 Scheduled redemption**

Unless previously redeemed or purchased and cancelled or unless such Transferable Deposit is stated in the Pricing Supplement as having no fixed Maturity Date, each Transferable Deposit shall be repaid on maturity at its Redemption Amount.

### **9.2 Purchase**

The Issuer and any of its Related Entities may at any time purchase Transferable Deposits in the open market or otherwise and at any price. Purchasers may be made by tender offers. Tender offers are subject to applicable law in any relevant jurisdiction. Transferable Deposits purchased under this Transferable Deposit Condition 9.2 may be held, resold or cancelled at the discretion of the purchaser and (if the Transferable Deposits are to be cancelled, the Issuer), subject to compliance with any applicable law or regulatory requirement.

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## **10. General provisions**

### **10.1 Summary of payment provisions**

Payments in respect of Transferable Deposits will be made in accordance with Transferable Deposit Condition 11 ("Payments").

### **10.2 Payments subject to law**

All payments are subject to applicable law, but without prejudice to the provisions of Transferable Deposit Condition 12 ("Taxation").

### **10.3 Payments on Business Days**

If a payment:

- (a) is due on a Transferable Deposit on a day which is not a Business Day then the due date for payment will be adjusted in accordance with the applicable Business Day Convention; or
- (b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place,

and in either case, the Transferable Deposit Holder is not entitled to any additional payment in respect of that delay.

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## **11. Payments**

### **11.1 Payment of principal**

Payments of principal will be made to each person registered at 10.00 am on the Payment Date as the holder of a Transferable Deposit.

### **11.2 Payment of interest**

Payments of interest in respect of a Transferable Deposit will be made on the Payment Date to each person registered at the close of business on the Record Date as the holder of that Transferable Deposit.

### **11.3 Payments to accounts**

Payments in respect of Transferable Deposits will be made:

- (a) if the Transferable Deposits are held in the Austraclear System, by crediting on the Payment Date, the amount due to:
  - (i) the account of Austraclear (as the Transferable Deposit Holder) in the country of the currency in which the Transferable Deposit is denominated previously notified to the Issuer and the Registrar; or
  - (ii) if requested by Austraclear, the accounts of the persons in whose Security Record (as defined in the Austraclear Regulations) a Transferable Deposit is recorded in the country of the currency in which the Transferable Deposit is denominated as previously notified by Austraclear to the Issuer and the Registrar in accordance with the Austraclear Regulations; and
- (b) if the Transferable Deposits are not held in the Austraclear System, by crediting on the Payment Date, the amount then due under each Transferable Deposit to an account in the country of the currency in which the Transferable Deposit is denominated previously notified by the Transferable Deposit Holder to the Issuer and the Registrar.

### **11.4 Payments by cheque**

If a Transferable Deposit Holder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Record Date, payments in respect of the Transferable Deposit will be made by cheque sent by prepaid post on the Business Day immediately before the Payment Date, at the risk of the registered Transferable Deposit Holder, to the Transferable Deposit Holder (or to the first named joint holder of the Transferable Deposit) at its address appearing in the Register at the close of business on the Record Date. Cheques sent to the nominated address of a Transferable Deposit Holder will be taken to have been received by the Transferable Deposit Holder on the Payment Date and, no further amount will be payable by the Issuer in respect of the Transferable Deposits as a result of the Transferable Deposit Holder not receiving payment on the due date.

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## **12. Taxation**

### **12.1 No set-off, counterclaim or deductions**

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

## 12.2 Withholding tax

If a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the Transferable Deposits such that the Transferable Deposit Holder would not actually receive on the due date the full amount provided for under the Transferable Deposits, then:

- (a) the Issuer agrees to deduct the amount for the Taxes; and
- (b) the Issuer is not obliged to make any additional payments to the Transferable Deposit Holder in respect of such withholding or deduction.

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## 13. Time limit for claims

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

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## 14. Events of Default

### 14.1 Events of Default for Transferable Deposits

An Event of Default occurs in relation to a Series of Transferable Deposits if:

- (a) **(non-payment)** the Issuer fails to pay any principal in respect of the Transferable Deposits of the relevant Series or fails to pay interest in respect of the Transferable Deposits of the relevant Series (or, in each case, any of them) and in the latter case the failure continues for a period of 5 Business Days;
- (b) **(other obligations)** the Issuer fails to comply with any of its material obligations under a Transferable Deposit (other than in relation to the payment of money referred to in paragraph (a)) and, if that failure is capable of remedy, it is not remedied within 15 Business Days of notice requiring remedy from the Transferable Deposit Holder;
- (c) **(invalidity)** a Transferable Deposit ceases to have full force and effect (other than by reason of repayment or purchase by the Issuer and cancellation) or its validity or enforceability is denied or disaffirmed by the Issuer or is declared by any court of competent jurisdiction to be void or unenforceable;
- (d) **(insolvency)** an administrator, liquidator, receiver or other Controller (as defined in the Corporations Act) is appointed to the Issuer or the Issuer becomes insolvent, is unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of its debts generally;
- (e) **(change in role)** the Issuer ceases to carry on business generally and either:
  - (i) no other body corporate; or
  - (ii) a body corporate that:
    - (A) is not a related body corporate (as defined in the Corporations Act); or
    - (B) has not been consented to by an Extraordinary Resolution of the Transferable Deposit Holder (that consent not to be unreasonably withheld or delayed),

assumes the business of the Issuer (including the obligations of the Issuer under the Transferable Deposits);

- (f) **(arrangements with creditors)** except for the purpose of a solvent reconstruction or amalgamation, the Issuer enters into an arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them;
- (g) **(enforcement against assets)** a Security Interest is enforced, or a distress, attachment or other execution is enforced or levied (and not satisfied within 21 days), over all or any substantial part of the assets of the Issuer; or
- (h) **(Licence)** the Licence is revoked or cancelled or otherwise ceases to be in full force and effect and (in the case of cancellation) is not promptly replaced with a licence on substantially similar terms.

#### **14.2 Consequences of an Event of Default**

If any Event of Default occurs and continues unremedied in relation to the Transferable Deposits, then a Transferable Deposit Holder may declare by notice to the Issuer (with a copy to the Registrar) that each Transferable Deposit held by it is to be redeemed at its Redemption Amount (together with any accrued interest) in which case such amounts become immediately due and payable.

#### **14.3 Notification**

If an Event of Default occurs, the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default (specifying details of it) and use its reasonable endeavours to procure that the Registrar promptly notifies Transferable Deposit Holders, each other Agent and any stock exchange or other relevant authority on which the Transferable Deposits are listed of the occurrence of the Event of Default.

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### **15. Agents**

#### **15.1 Role of Agents**

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any Transferable Deposit Holder.

#### **15.2 Appointment and replacement of Agents**

Each initial Agent for the Transferable Deposits is specified in the Pricing Supplement. Subject to Transferable Deposit Condition 15.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

#### **15.3 Change of Agent**

Notice of any change of an Agent or its Specified Offices must promptly be given to the Transferable Deposit Holders by the Issuer or the Agent on its behalf.

#### **15.4 Required Agents**

The Issuer must:

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

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**16. Meetings of Transferable Deposit Holders**

The Meetings Provisions contain provisions (which have effect as if incorporated in these Transferable Deposit Conditions) for convening meetings of the Transferable Deposit Holders of any Series to consider any matter affecting their interests, including any variation of these Transferable Deposit Conditions by Extraordinary Resolution.

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**17. Variation****17.1 Variation with consent**

Unless Transferable Deposit Condition 17.2 (“Variation without consent”) applies, any Transferable Deposit Condition may be varied by the Issuer with prior approval from Transferable Deposit Holders of the Series by Extraordinary Resolution in accordance with the Meetings Provisions.

**17.2 Variation without consent**

Any Transferable Deposit Condition may be amended by the Issuer without the consent of the Transferable Deposit Holders if the amendment:

- (a) is of a formal, minor or technical nature;
- (b) is made to correct a manifest error;
- (c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision and, in the reasonable opinion of the Issuer, is not materially prejudicial to the interests of the Transferable Deposit Holders;
- (d) is to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
- (e) only applies to Transferable Deposits issued after the date of amendment.

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**18. Further issues**

The Issuer may from time to time, without the consent of the Transferable Deposit Holders, issue further Transferable Deposits having the same Transferable Deposit Conditions as the Transferable Deposits of any Series in all respects (or in all respects except for the Issue Date and the date for the first payment of interest, if any, on them) so as to form a single series with the Transferable Deposits of that Series.

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**19. Notices****19.1 Notices to Transferable Deposit Holders**

All notices and other communications to the Transferable Deposit Holders must be in writing and sent by prepaid post (airmail if appropriate) to or left at the address of the Transferable Deposit Holder (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the notice or communication) and may also be:

- (a) given by an advertisement published in *The Australian Financial Review* or *The Australian*; or
- (b) if the Pricing Supplement specifies an additional or alternate newspaper, given by an advertisement published in that newspaper.

## **19.2 Notices to the Issuer and the Agents**

All notices and other communications to the Issuer or an Agent must be in writing and may be sent by prepaid post (airmail if appropriate) to or left at the Specified Office of the Issuer or the Agent.

## **19.3 When effective**

Notices and other communications take effect from the time they are taken to be received unless a later time is specified in them.

## **19.4 Receipt - publication in newspaper**

If published in a newspaper, a notice or other communication is taken to be received on the first date that publication has been made in all the required newspapers.

## **19.5 Deemed receipt - postal**

If sent by post, notices or other communications are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

## **19.6 Deemed receipt - general**

Despite Condition 19.5 ("Deemed receipt - postal"), if notices or other communications are received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day.

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## **20. Governing law**

### **20.1 Governing law**

Transferable Deposits are governed by the law in force in New South Wales.

### **20.2 Jurisdiction**

The Issuer submits and each Transferable Deposit Holder is taken to have submitted to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

### **20.3 Serving documents**

Without preventing any other method of service, any document in any action may be served on the Issuer or a Transferable Deposit Holder by being delivered or left at the person's registered office or principal place of business.

## Form of Pricing Supplement

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

Series No.: [●]

Tranche No.: [●]



Newcastle Permanent Building Society Limited  
(ABN 96 087 651 992)  
("Issuer")

A\$2,000,000,000  
Debt Issuance Programme  
("Programme")

**PRICING SUPPLEMENT**  
in connection with the issue of [fully paid]  
A\$[●] [Debt Instruments]  
("[Debt Instruments"])

The date of this Pricing Supplement is [●].

This Pricing Supplement is issued to give details of the Tranche of [fully paid] [Debt Instruments] referred to above. It is supplementary to, and should be read in conjunction with the Information Memorandum dated [●] ("IM") and the [Second Debt Instrument Deed Poll] dated [●] 2013 ("Deed Poll") each issued in relation to the Programme.

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

A reference to a "Condition" in this Pricing Supplement is a reference to the corresponding Condition as set out in the IM. Terms used but not otherwise defined in this Pricing Supplement have the meaning given in those Conditions.

### TERMS

The terms of the Tranche of [Debt Instruments] are as follows:

Issuer: Newcastle Permanent Building Society Limited.

Relevant Dealer(s): [Specify].

Place of initial offering: [Inside/Outside Australia].

Issuing and Paying Agent: [Specify / Not Applicable].

Calculation Agent: [Specify / Not Applicable].

Additional Paying Agents: [Specify / Not Applicable].

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

Transfer Agent: [Specify / Not Applicable].

Status of the [Debt Instruments]: [Unsubordinated.]

Specified Currency: [Australian dollars].

Aggregate Principal Amount of Tranche: [A\$[●]].

[If to form a single Series with existing Series, specify date on which all [Debt Instruments] of the Series become fungible]: [All [Debt Instruments] of this Tranche are to form a single Series with Series [●] and become fungible from [specify date] immediately following issue / Not Applicable.]

Issue Date: [Specify].

Maturity Date: [Specify].

Issue Price: [Specify]. [The Debt Instruments will be fully paid up on issue.]

[Type of Note:]: [Unsubordinated [Fixed Rate [Note] / Floating Rate [Note] / Index Linked [Note] / Instalment [Note] / other.]]

[Each TD represents an amount deposited with the Issuer on the conditions set out in the Information Memorandum (entitled “[Deposit Conditions]”) as supplemented, amended or replaced by this Pricing Supplement.]

Form of [Note]: Registered.

Denomination(s): A\$[●].

Business Days: [specify place(s)].

Interest: **[Fixed Rate [Debt Instruments]:]**  
[Condition [●] will apply.]  
[Interest Commencement Date: [Issue Date / [Specify other date].]  
[Interest Payment Dates: [Specify dates].]  
[Interest Rate: [●] per cent. per annum / Not Applicable.]

[Fixed Coupon Amount: \$[●] per A\$[●] / Not Applicable.]

[If the Issuer's call referred to in [condition [●] [(Early redemption at the option of the Issuer (Issuer's Call))] is not exercised, then with effect from [*insert date no earlier than Issue Date*] [Interest Rate shall be increased by [[●] per cent. per annum] / Fixed Coupon Amount shall be increased by \$[●] per A\$[●].]

[Business Day Convention: [*Specify*].]

[Day Count Fraction: [*Specify*].]

**[Floating Rate [Debt Instruments]:]**

[Condition 7 will apply.]

[Interest Commencement Date: Issue Date / [*Specify other date*].]

[Interest Payment Dates: [*Specify dates*].]

[Specified Period: [*Specify*].]

[Interest Rate: [●] / Not Applicable.]

[ISDA Determination: Applicable / Not Applicable.]

[Floating Rate Option: [*Specify*].]

[Designated Maturity: [*Specify*].]

[Reset Date: [*Specify date*].]

[Screen Rate Determination: Applicable / Not Applicable.]

[Relevant Financial Centre: [*Specify*].]

[Relevant Time: [*Specify*].]

[Interest Determination Date: [*Specify date*].]

[Reference Banks: [*Specify*].]

[Reference Rate: [*Specify*].]

[Relevant Screen Page: [*Specify*].]

[Bank Bill Rate Determination: Applicable / Not Applicable.]

[Margin: [*Specify*].]

[Business Day Convention: [*Specify*].]

[Day Count Fraction: [*Specify*].]

[Linear Interpolation: Applicable / Not Applicable.]

[If the Issuer's call referred to in [condition [●]] [(Early redemption at the option of the Issuer (Issuer's Call))] is not exercised, then with effect from [*insert date no earlier than Issue Date*] [*relevant rate*] shall be increased by [[●] per cent. per annum.]

**[Index Linked [Debt Instruments] / Instalment [Debt Instruments]:]**

[Condition [●] will apply.]

[Interest Commencement Date: Issue Date / [*Specify other date*].]

[Interest Payment Dates: [*Specify dates*].]

[Interest Rate: [●] / Not Applicable.]

[●]. [*Insert other details*]

Minimum / Maximum Interest Rate: [[*Specify rate*] / Not Applicable.]

Default Rate: [[*Specify rate*] / Not Applicable.]

Calculation Agent Obligations: [*Specify if any*]. [*if any - see condition [10.3/8.3]*]

Rounding: [*Specify*]. [*see condition [10.6/8.6]*]

[Early redemption at the option of [Note] Holders ([Note] Holder put):] Not Applicable.

[Early Redemption Date (Put):] Not Applicable.

[Early redemption at the option of the Issuer (Issuer's call):] [Applicable / Not Applicable.]

[Early Redemption Date (Call):] [*Specify date*] [*insert date not earlier than Issue Date*]. [Thereafter, the Issuer may redeem the [Debt Instruments] on [*specify date(s)*].]

[Minimum notice period for the exercise of the [put option / call option]:] [30 days / other.]

[Maximum notice period for the exercise of the [put option / call option]:] [60 days /other.]

[Specify any relevant conditions to exercise of [put option / call option]:] [[*Specify*] / Not Applicable.]

[Specify whether redemption at [[Note] Holders' option / Issuer's option] is permitted in respect of some only of the [Debt Instruments] and, if so, any minimum aggregate principal amount]: [*Specify*].

[Minimum notice period for early redemption for taxation reasons]: [15 days / other.]

[Maximum notice period for early redemption for taxation reasons]:	[60 days /other.]
[Structured [Note] Redemption Amount:]	[[ <i>Specify</i> ].]
	[Instalment Amounts: [ <i>Specify</i> ].]
	[Instalment Dates: [ <i>Specify dates</i> ].]
[Zero Coupon [Note] Redemption Amount:]	[Reference Price: [ <i>Specify</i> ].]
	[Accrual Yield: [ <i>Specify</i> ].]
	[Day Count Fraction: [ <i>Specify</i> ].]
[Redemption of Partly Paid [Debt Instruments]:]	[[ <i>Specify</i> ] / Not Applicable.]
Currency of payments:	[AUD]
Other relevant terms and conditions:	[ <i>Specify</i> ].
ISIN:	[ <i>Specify</i> ].
Common Code:	[ <i>Specify</i> ].
Clearing System: Luxembourg.]	[Austraclear / Euroclear and Clearstream,
Other selling restrictions:	[As provided in the IM, the [Debt Instruments] will not be issued unless the aggregate consideration payable by each offeree is at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or the offer or invitation does not require disclosure to investors in accordance with Parts 6D.2 or Part 7.9 of the Corporations Act 2001 of Australia. Section 708(19) of the Corporations Act provides that an offer of debentures for issue or sale does need disclosure to investors under Parts 6D.2 of the Corporations Act if the Issuer is an Australian authorised deposit-taking institution (“ADI”). As at the date of this Pricing Supplement, the Issuer is an ADI. / [ <i>Specify other</i> ].]
Australian interest withholding tax:	[The [Debt Instruments] satisfy the public offer test as the issue resulted from the [Debt Instruments] being offered for issue to at least 10 persons each of whom was carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets and was not known, or suspected, by the Dealer to be an associate (as defined in section 128F(9)) of any of the above persons as a result of the IM being publicly available in capital markets.]
	[The issue of the TDs has not been structured to satisfy the public offer test and the Issuer is not obliged to make any additional payments in respect of any withholding or deduction required by law.]
Programme Documents:	[ <i>List</i> ].

Listing: [[Specify] / Not Applicable.]

Notices: [Insert details of any additional newspapers]

Additional Australian Taxation: [Specify].

[The following purchasers of this Tranche of [Debt Instruments] are not Dealers named in the IM:]

[●].

**CONFIRMED**

**NEWCASTLE PERMANENT BUILDING SOCIETY LIMITED**

By: .....  
Authorised Person

Date: [●].

## Selling and Distribution Restrictions

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*Pursuant to the Dealer Agreement dated on or about 11 February 2005 between the Issuer and the persons named as Dealers therein, as amended, restated and supplemented from time to time (“**Dealer Agreement**”), Debt Instruments will be offered by the Issuer through one or more Dealers. The Issuer will have the sole right to accept any such offers to purchase Debt Instruments and may reject any such offer in whole or (subject to the terms of such offer) in part. Each Dealer has the right, in its discretion reasonably exercised, to reject any offer to purchase Debt Instruments made to it in whole or (subject to the terms of such offer) in part. The Issuer is entitled under the Dealer Agreement to appoint one or more Dealers as a dealer for a particular Tranche of Debt Instruments.*

*Each Dealer has agreed (or will agree) that it will observe all applicable laws and directives in any jurisdiction in which it may subscribe for, offer, sell, or deliver Debt Instruments; and it will not directly or indirectly subscribe for, offer, sell, resell, re-offer or deliver Debt Instruments or distribute the Information Memorandum, any Pricing Supplement, circular, advertisement or other offering material relating to the Debt Instruments in any country or jurisdiction except under circumstances that will result in compliance with these selling and distribution restrictions, any additional restrictions which are set out in the Pricing Supplement, and all applicable laws and directives.*

*None of the Issuer, any of its affiliates, the Arranger, nor any of the Dealers has represented that any Debt Instruments may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.*

*Each Dealer has also represented and undertaken not to directly or indirectly offer for subscription or purchase or issue invitations to subscribe for or buy nor sell TDs to non-residents of Australia or to residents of Australia that are carrying on business at or through a permanent establishment outside Australia. Restrictions on the sale and/or distribution of other Debt Instruments will be set out in the relevant Pricing Supplement and/or Other Supplement.*

*The following selling restrictions apply to Debt Instruments:*

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### 1. **Australia**

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

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

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a person who is a “retail client” as defined for the purposes of section 761G of the Corporations Act;

- (iii) such action complies with all applicable laws, regulations and directives in Australia; and
- (iv) such action does not require any document to be lodged with ASIC or the stock exchange operated by ASX Limited.

In addition and unless the relevant Pricing Supplement otherwise provides, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, in connection with the primary distribution of the Debt Instruments, it will not sell Debt Instruments to any person if, at the time of such sale, the employees of the Dealer aware of, or involved in, the sale knew or had reasonable grounds to suspect that, as a result of such sale, any Debt Instruments or an interest in any Debt Instruments were being, or would later be, acquired (directly or indirectly) by an associate of the Issuer for the purposes of section 128F(9) of the Income Tax Assessment Act 1936 of Australia ("**Tax Act**") and associated regulations (and, where applicable, any replacement legislation including, but not limited to, the Income Tax Assessment Act 1997 of Australia), except as permitted by section 128F(5) of the Tax Act.

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## 2. The United Kingdom

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

- (a) (**financial promotion**) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of those Debt Instruments in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) (**general compliance**) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Debt Instruments in, from or otherwise involving the United Kingdom.

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## 3. European Economic Area

In relation to each Member State of the European Economic Area which has implemented the EU Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State ("**Relevant Implementation Date**") it has not made and will not make an offer of Debt Instruments which are the subject of the offering contemplated by this Information Memorandum to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Debt Instruments to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Debt Instruments shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Debt Instruments to the public” in relation to any Debt Instruments in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Debt Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Debt Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

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#### 4. The United States of America

##### Securities Act

The Debt Instruments have not been and will not be registered under the Securities Act of 1933 (as amended) (“**Securities Act**”).

Terms used in the following five paragraphs have the meanings given to them by Regulation S under the Securities Act.

The Debt Instruments may not be offered, sold, delivered or transferred within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. Persons except in accordance with Regulation S or in transactions exempt from the registration requirements of the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Debt Instruments:

- (a) as part of their distribution at any time; and
- (b) otherwise until 40 days after completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Debt Instruments on a syndicated basis, the Lead Manager,

within the United States of America or to, or for the account or benefit of, U.S. Persons.

Each Dealer who has purchased Debt Instruments must determine and certify to the Issuer and, in the case of an issue of Debt Instruments on a syndicated basis, the Lead Manager (if appointed), when it has completed the distribution of those Debt Instruments. In the case of an issue of Debt Instruments on a syndicated basis, the Lead Manager (if appointed) must certify to the Issuer and the Dealers when the distribution of all the Debt Instruments has been completed.

Each Dealer has further represented and agreed, and each further Dealer appointed under the Programme will be required to further represent and agree, that it will have sent to each distributor to which it sells Debt Instruments during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Debt Instruments within the United States of America or to, or for the account or benefit of, U.S. Persons.

Until 40 days after the completion of the distribution of all Debt Instruments of the Tranche of which those Debt Instruments are a part, an offer or sale of Debt Instruments within the United States of America by any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is

made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

## **Indexed Notes and Dual Currency Notes**

Each issue of Indexed Notes and Dual Currency Notes will be subject to additional U.S. selling restrictions agreed between the Issuer and the relevant Dealer as a term of the issue and purchase of such Debt Instruments which are set out in the relevant Pricing Supplement. Each relevant Dealer will be required to agree that it will offer, sell or deliver those Debt Instruments only in compliance with those additional U.S. selling restrictions.

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### **5. Japan**

The Debt Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”) and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Debt Instruments directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to a Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws and regulations of Japan. For the purposes of this paragraph, “Japanese Person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

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### **6. Singapore**

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (“**SFA**”).

Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless an applicable Pricing Supplement (or another supplement to this Information Memorandum) otherwise provides, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Debt Instruments has not been and will not be circulated or distributed by it, nor have the Debt Instruments been offered or sold by it nor have the Debt Instruments been, nor will the Debt Instruments be, offered or sold by it, or be made the subject to an invitation for subscription or purchase by it, whether directly or indirectly to persons in Singapore other than:

- (a) to an institutional investor under Section 274 of the SFA;
- (b) to a relevant person pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Debt Instruments are subscribed or purchased in reliance of an exemption under Section 274 or 275 of the SFA, the Debt Instruments shall not be sold within the period of six months from the date of the initial acquisition of the Debt Instruments, except to any of the following persons:

- (A) an institutional investor (as defined in Section 4A of the SFA);
- (B) a relevant person (as defined in Section 275(2) of the SFA); or
- (C) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

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

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

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

- (i) to an institutional investor (under Section 274 of the SFA) or to a relevant person (as defined in Section 275(2) of the SFA) and in accordance with the conditions specified in Section 275 of the SFA;
- (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (iii) where no consideration is or will be given for the transfer;
- (iv) where the transfer is by operation of law;
- (v) as specified in Section 276(7) of the SFA; or
- (vi) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulation 2005 of Singapore.

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## 7. Hong Kong

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

- (a) the Debt instruments have not been authorised by the Hong Kong Securities and Futures Commission;
- (b) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Debt Instruments other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) (as amended) of Hong Kong ("SFO") and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap 32) (as amended) of Hong Kong ("CO") or which do not constitute an offer to the public within the meaning of the CO; and
- (c) unless it is a person permitted to do so under the applicable securities laws of Hong Kong, it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation, other offering material or other document relating to the Debt Instruments, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the applicable securities laws of Hong Kong) other than with respect to Debt Instruments which are or are intended to be disposed of only to

persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and any rules made under the SFO.

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**8. Variation**

These selling restrictions may be changed by the Issuer in consultation, with the Dealers following a change in any law or directive or in its interpretation or administration by an authority or the introduction of a new law or directive. Any change will be set out in the Pricing Supplement issued in respect of the Debt Instruments to which it relates (or in any other supplement to this Information Memorandum).

## Australian Taxation

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

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

*Other relevant information regarding Australian taxes in respect of Debt Instruments will be set out in the relevant Pricing Supplement and/or Other Supplement.*

### 1. Interest withholding tax

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

- (a) the Issuer remains a resident of Australia when it issues those Debt Instruments and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;
- (b) those Debt Instruments are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering those Debt Instruments for issue. In summary, the five methods are:
  - offers to 10 or more unrelated financiers or securities dealers;
  - offers to 100 or more investors;
  - offers of listed Debt Instruments;
  - offers via publicly available information sources; and
  - offers to a dealer, manager or underwriter who offers to sell those Debt Instruments within 30 days by one of the preceding methods.

In addition, the issue of any of those Debt Instruments (whether in global form or otherwise) and the offering of interests in any of those Debt Instruments by one of these methods should satisfy the public offer test;

- (c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that those Debt Instruments or interests in those Debt Instruments were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act; and
- (d) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act.

### *Associates*

An “associate” of the Issuer for the purposes of section 128F of the Australian Tax Act includes (i) a person or entity which holds more than 50% of the voting shares of, or otherwise controls, the Issuer (ii) an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the Issuer (iii) a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust and (iv) a person or entity who is an “associate” of another person or company which is an “associate” of the Issuer under (i) above.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (c) and (d) above), “associate” does not include:

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

### *Compliance with section 128F of the Australian Tax Act*

Unless otherwise specified in any relevant Pricing Supplement or Other Supplement, the Issuer intends to issue the Debt Instruments in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

### *Exemptions under tax treaties*

The Australian government has signed a number of new or amended double tax conventions (“**New Treaties**”) with a number of countries (each a “Specified Country”). The New Treaties apply to interest derived by a resident of a Specified Country.

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

- governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and
- certain unrelated financial institutions resident in a Specified Country which substantially derive their profits by carrying on a business of raising and providing finance.

Under the New Treaties back-to-back loans and economically equivalent arrangements will be subject to the 10% IWT rate and the anti-avoidance provisions in the Australian Tax Act can apply.

**Specified Countries** include the United States and the United Kingdom. The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides

details of country, status, withholding tax rate limits and Australian domestic implementation which is available to the public at the Federal Treasury's Department's website at: <http://www.treasury.gov.au>.

#### *Payment of additional amounts*

As set out in more detail in the relevant Conditions for the Debt Instruments (and unless expressly provided to the contrary in the relevant Pricing Supplement or Other Supplement), if a law requires the Issuer to deduct or withhold an amount in respect of withholding taxes in respect of the Debt Instruments such that the Debt Instrument holder would not actually receive on the due date the full amount provided for under the Debt Instruments, the Issuer must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of those Debt Instruments after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required to be made. If the Issuer is compelled by law in relation to any Debt Instruments to deduct or withhold an amount in respect of any withholding taxes, the Issuer will have the option to redeem those Debt Instruments in accordance with the relevant Conditions.

## **2. Other tax matters**

Subject to paragraph 3, under Australian laws as presently in effect:

- (a) *income tax - offshore holders of Debt Instruments* - assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Debt Instruments, payment of principal and interest (as defined in section 128A(1AB) of the Australian Tax Act) to a holder of the Debt Instruments, who is a non-resident of Australia and who, during the taxable year, does not hold the Debt Instruments in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes;
- (b) *income tax - Australian holders of Debt Instruments* - Australian residents or non-Australian residents who hold the Debt Instruments in the course of carrying on business at or through a permanent establishment in Australia ("**Australian Holders**"), will be assessable for Australian tax purposes on income either received or accrued due to them in respect of the Debt Instruments. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular holder of Debt Instruments and the terms and conditions of the Debt Instruments. Special rules apply to the taxation of Australian residents who hold the Debt Instruments in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;
- (c) *gains on disposal of Debt Instruments - offshore holders of Debt Instruments* - a holder of the Debt Instruments, who is a non-resident of Australia and who, during the taxable year, does not hold the Debt Instruments in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Debt Instruments, provided such gains do not have an Australian source. A gain arising on the sale of Debt Instruments by such a non-Australian resident holder to another non-Australian resident where the Debt Instruments are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not usually be regarded as having an Australian source;
- (d) *gains on disposal of Debt Instruments - Australian holders of Debt Instruments* - Australian Holders will be required to include any gain or loss on disposal of the Debt Instruments in their taxable income. Special rules apply to the taxation of Australian residents who hold the Debt Instruments in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;

- (e) *deemed interest* - there are specific rules that can apply to treat a portion of the purchase price of Debt Instruments as interest for withholding tax purposes when certain Debt Instruments originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on business at or through a permanent establishment in Australia. These rules do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the Debt Instruments had been held to maturity by a non-resident;
- (f) *death duties* - no Debt Instruments will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (g) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Debt Instruments;
- (h) *other withholding taxes on payments in respect of Debt Instruments* - section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia ("**Taxation Administration Act**") imposes a type of withholding tax at the rate of (currently) 48.5% on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number ("**TFN**"), (in certain circumstances) an Australian Business Number ("**ABN**") or proof of some other exception (as appropriate). Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Debt Instruments, then the requirements of section 12-140 do not apply to payments to a holder of Debt Instruments in registered form who is not a resident of Australia and not holding those Debt Instruments in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of Debt Instruments in registered form may be subject to a withholding where the holder of those Debt Instruments does not quote a TFN, (in certain circumstances) an ABN or provide proof of an appropriate exemption (as appropriate);
- (i) *supply withholding tax* - payments in respect of the Debt Instruments can be made free and clear of the "supply withholding tax" imposed under section 12-190 of Schedule 1 to the Taxation Administration Act;
- (j) *goods and services tax (GST)* - neither the issue nor receipt of the Debt Instruments will give rise to a liability for GST in Australia on the basis that the supply of Debt Instruments will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Debt Instruments, would give rise to any GST liability in Australia;
- (k) *debt/equity rules* - Division 974 of the Australian Tax Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purposes of dividend withholding tax and IWT. The Issuer intends to issue Debt Instruments which are to be characterised as "debt interests" for the purposes of the tests contained in Division 974 and the returns paid on the Debt Instruments are to be "interest" for the purpose of section 128F of the Australian Tax Act. Accordingly, Division 974 is unlikely to affect the Australian tax treatment of holders of Debt Instruments; and

- (l) *additional withholdings from certain payments to non-residents* - section 12-315 Schedule 1 to of the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this Information Memorandum are not relevant to payments in respect of the Debt Instruments. Any further regulations should also not apply to repayments of principal under the Debt Instruments as such amounts will generally not be reasonably related to assessable income. The possible application of any regulations to the proceeds of any sale of the Debt Instruments will need to be monitored.

### Issuer

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