

Guarantee

Dated

By:

Morgan Stanley Australia Finance Pty Limited ABN 84 086 080 015
("Guarantor")

In favour of:

Holders of PERLS IV Perpetual Exchangeable Resalable Listed Securities
(issued by Commonwealth Bank of Australia ABN 48 123 123 124) as at
9:00am on the Resale Date ("Beneficiaries")

King & Wood Mallesons

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Guarantee

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Guarantee

Details

Parties	Guarantor and Beneficiaries	
Guarantor	Name	Morgan Stanley Australia Finance Pty Limited
	ABN	84 086 080 015
	Address	Level 39
		2 Chifley Square Sydney NSW 2000
Beneficiaries	Name	Holder of PERLS IV Perpetual Exchangeable Resalable Listed Securities (issued by Commonwealth Bank of Australia ABN 48 123 123 124) as at 9:00am on the Resale Date
Governing law	New South Wales, Australia	
Date of guarantee	See Signing page	

Guarantee

General terms

1 Interpretation

1.1 Definitions

These meanings apply unless the contrary intention appears:

Beneficiaries means the persons so described in the Details.

Corporations Act means the Corporations Act 2001 (Cwlth).

Details means the section of this guarantee headed "Details".

Guarantor means the person or persons so described in the Details.

Obligor means Morgan Stanley Australia Securities Limited ABN 55 078 652 276.

PERLS IV Resale Purchaser Deed Poll means the deed poll entitled "PERLS IV Resale Purchaser Deed Poll" to be executed by the Obligor in favour of the Beneficiaries.

Resale Date means 31 October 2012.

Taxes means taxes, levies, imposts, charges and duties imposed by any authority (including stamp and transaction duties) 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 a Beneficiary.

1.2 References to certain general terms

Unless the contrary intention appears, in this guarantee:

- (a) **(variations or replacement)** a reference to a document (including this guarantee) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a reference to a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this guarantee;
- (c) **(reference to statutes)** a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** a reference to law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) **(singular includes plural)** the singular includes the plural and vice versa;

- (f) **(person)** the word “person” includes an individual, a firm, a body corporate, a partnership, joint venture, an unincorporated body or association, or any authority;
- (g) **(executors, administrators, successors)** a reference to a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (h) **(two or more persons)** an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (i) **(jointly and severally)** an agreement, representation or warranty by two or more persons binds them jointly and each of them individually;
- (j) **(reference to a group of persons)** a reference to a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
- (k) **(dollars)** a reference to Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (l) **(calculation of time)** a period of time dating from a given day or the day of an act or event it is to be calculated exclusive of that day;
- (m) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (n) **(meaning not limited)** the words “include”, “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;
- (o) **(time of day)** a reference to time is a reference to Melbourne time;
- (p) **(reference to any thing)** a reference to any thing (including any amount) is a reference to the whole and each part of it.

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 this guarantee.

2 Guarantee

2.1 Consideration

The Guarantor acknowledges that each Beneficiary will act in reliance on the Guarantor incurring obligations and giving rights under this guarantee.

2.2 Guarantee

The Guarantor unconditionally and irrevocably guarantees to each Beneficiary the Obligor’s compliance with the Obligor’s obligations to that Beneficiary in

connection with the PERLS IV Resale Purchaser Deed Poll, including each obligation to pay money.

If the Obligor does not comply with its obligations to a Beneficiary on time and in accordance with the PERLS IV Resale Purchaser Deed Poll, then the Guarantor agrees to comply immediately with those obligations on demand from that Beneficiary. A demand may be made at any time and from time to time and whether or not the Beneficiary has made demand on the Obligor.

2.3 Extent of guarantee

- (a) The guarantee in clause 2.2 (“Guarantee”) is a continuing obligation despite any intervening payment, settlement or other thing and extends to all of the Obligor’s obligations in connection with the PERLS IV Resale Purchaser Deed Poll. The Guarantor waives any right it has of first requiring a Beneficiary to commence proceedings or enforce any other right against the Obligor or any other person before claiming from the Guarantor under this guarantee.
- (b) Nothing in this deed renders the Guarantor liable to perform or ensure the performance of anything which the Obligor is not, by the terms of the PERLS IV Resale Purchaser Deed Poll, obliged to perform.

3 Payments

The Guarantor agrees to make payments under this guarantee in full without set-off or counterclaim, and without any deduction in respect of Taxes unless required by law.

4 Rights of the Beneficiaries are protected

The rights given to the Beneficiaries under this guarantee, and the Guarantor’s liabilities under it, are not affected by any act or omission or any other thing whatsoever which might otherwise affect them under law or otherwise. For example, those rights and liabilities are not affected by:

- (a) any act or omission:
 - (i) varying or replacing in any way and for any reason any agreement or arrangement under which the obligations guaranteed under clause 2.2 (“Guarantee”) are expressed to be owing;
 - (ii) releasing the Obligor or giving the Obligor a concession (such as more time to pay);
 - (iii) releasing any person who gives a guarantee in connection with any of the Obligor’s obligations;
- (b) a judgment which a Beneficiary obtains against the Obligor or any other person in connection with the PERLS IV Resale Purchaser Deed Poll ;
- (c) a person dealing in any way with the PERLS IV Resale Purchaser Deed Poll or this guarantee;
- (d) the death, mental or physical disability, or liquidation, administration or insolvency of any person including the Guarantor or the Obligor;
- (e) acquiescence or delay by a Beneficiary or any other person.

5 Guarantor's rights are suspended

As long as any obligation is required, or may be required, to be complied with in connection with this guarantee, the Guarantor may not, without the Beneficiaries' consent:

- (a) claim any amount or receive any benefit from the Obligor under a right of indemnity or contribution; or
- (b) claim an amount in the liquidation, administration or insolvency of the Obligor.

This clause continues after this guarantee ends.

6 Representations and warranties

6.1 Representations and warranties

The Guarantor warrants as at the date of this deed:

- (a) the execution, delivery and performance by it of this deed complies with its constitution or other constituent documents and does not constitute a breach of any law or obligation, or cause or result in a default under any deed by which it is bound and that would prevent it from entering into and performing its obligations under this deed;
- (b) all necessary authorisations for the execution, delivery and performance by it of this deed in accordance with its terms have been obtained or will be obtained as required before the completion of the relevant transactions under this deed;
- (c) it has full power and capacity to own its own assets and to enter into and perform its obligations under this deed;
- (d) it is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation;
- (e) it enters into and performs this deed on its own account and not as trustee for or nominee of any other person; and
- (f) this deed constitutes a legal, valid and binding obligation on it, enforceable in accordance with its terms.

6.2 Survival of representations and warranties

The representations and warranties in clause 6.1 ("Representations and warranties"):

- (a) survive the execution of this deed; and
- (b) are regarded as repeated on the Resale Date with respect to the facts and circumstances then subsisting.

6.3 Reliance by the Beneficiaries

The Guarantor acknowledges that each Beneficiary can rely on the representations and warranties given under this deed.

7 Reinstatement of rights

If under law relating to liquidation, administration, insolvency or the protection of creditors, a person claims that a transaction (including a payment) in connection with this guarantee or the PERLS IV Resale Purchaser Deed Poll is void or voidable and that claim is made and upheld, conceded or compromised, then each Beneficiary is immediately entitled as against the Guarantor to the rights in connection with this guarantee or the PERLS IV Resale Purchaser Deed Poll to which it was entitled immediately before the transaction.

The Guarantor's obligations under this clause are continuing obligations, independent of the Guarantor's other obligations under this guarantee and continue after this guarantee ends.

8 Notices and other communications

8.1 Form - all communications

Unless expressly stated otherwise in this guarantee, all notices, certificates, consents, approvals, waivers and other communications in connection with this guarantee must be given:

- (a) in writing signed on behalf of the sender (by original or printed signature);
- (b) addressed to the person to whom it is to be given; and
- (c) either:
 - (i) delivered personally;
 - (ii) sent by pre-paid mail to that person's address; or
 - (iii) sent by fax to the fax number (if any) nominated by that person; or
 - (iv) sent by electronic message to the electronic address (if any) nominated by that person.

This clause does not limit the manner in which a notice may be given by the Guarantor.

8.2 When effective

Communications take effect from the time they are received or taken to be received under clause 8.3 ("When taken to be received") (whichever happens first) unless a later time is specified.

8.3 When taken to be received

A notice to a person is regarded as given and received:

- (a) if it is delivered personally or sent by fax or electronic message:
 - (i) by 5.00 pm (local time in the place of receipt) on a business day – on that day; or
 - (ii) after 5.00 pm (local time in the place of receipt) on a business day, or on a day that is not a business day – on the next business day; and

(b) if it is sent by mail – on the day it is posted.

A certificate in writing signed by a director or secretary of the Guarantor stating that a notice was sent is conclusive evidence of service.

9 General

9.1 Transfer, assignment and amendment

The Guarantor may not transfer, assign or amend this guarantee.

The Beneficiary may not transfer, assign or otherwise deal with any of its rights under the guarantee.

9.2 Counterparts

This guarantee may consist of a number of copies, each signed by one or more parties to the guarantee. If so, the signed copies are treated as making up the one document.

9.3 Governing law

This guarantee is governed by the law in force in the place specified in the Details. The Guarantor and the Beneficiaries submit to the non-exclusive jurisdiction of the courts of that place.

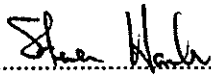
EXECUTED as a deed

Guarantee

Signing page

DATED: 11 SEPTEMBER 2012

EXECUTED by MORGAN STANLEY)
AUSTRALIA FINANCE PTY LIMITED)
in accordance with section 127(1) of the)
Corporations Act 2001 (Cwth) by)
authority of its directors:)


.....)
Signature of director)

STEVEN HARKER
.....)
Name of director (block letters)

.....)
Signature of director/company)
secretary*)
*delete whichever is not applicable

.....)
Name of director/company secretary*)
(block letters))
*delete whichever is not applicable

Guarantee

Signing page

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