

## PROGRAMME CIRCULAR



Incorporated in Australia with limited liability

**U.S.\$70,000,000,000\***

### **Euro Medium Term Note Programme**

*\*Combined programme limit for the Euro Medium Term Note Programme of ASB Finance Limited and Commonwealth Bank of Australia. This Programme Circular relates to Notes to be issued under such programme by Commonwealth Bank of Australia only.*

Commonwealth Bank of Australia (the "Issuer" or the "Bank") may from time to time issue Euro Medium Term Notes (the "Notes") in any form contemplated in "Conditions of the Notes" herein and as described in "Overview of the Programme" herein.

The Notes will be issued from time to time to one or more of the Dealers specified on page 6 (each a "Dealer" and together the "Dealers", which expression shall include any additional Dealers appointed under the Programme (as defined below) from time to time). References in this Programme Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

**An investment in Notes issued under the Programme involves certain risks.** For a discussion of these risks see "Risk Factors".

The Issuer has been rated AA- by Standard & Poor's (Australia) Pty Ltd. ("S&P"), Aa3 by Moody's Investors Service Pty Ltd. ("Moody's") and AA- by Fitch Australia Pty Ltd ("Fitch"). None of S&P, Moody's or Fitch is established in the European Union or registered in accordance with Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). However, Commission Implementing Decision 2012/627/EU provides that the Australian legal and supervisory framework for credit rating agencies shall be considered as equivalent to the requirements of the CRA Regulation and each of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Ltd. and Fitch Ratings Ltd. which are established in the European Union and registered under the CRA Regulation (and, as such are included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with such Regulation) currently endorse the credit ratings of S&P, Moody's and Fitch, respectively, for regulatory purposes in the European Union. There can be no assurance that such endorsement of the credit ratings of S&P, Moody's and Fitch will continue.

Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Issuer by the relevant rating agency. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Application has been made to the Financial Conduct Authority acting in its capacity as the competent authority (the "UK Listing Authority") for Notes to be issued during the period of 12 months from the date of this Programme Circular under this U.S.\$70,000,000,000 Euro Medium Term Note Programme (the "Programme") to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's regulated market. References in this Programme Circular to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes, and certain other information which is applicable to each Tranche (as defined under "Conditions of the Notes") of Notes will be set out in a final terms document (the "Final Terms") which, where listed, will be delivered to the UK Listing Authority and the London Stock Exchange. Copies of Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

This document is issued in replacement of a Programme Circular dated 24 June 2016 and accordingly supersedes that earlier Programme Circular. This does not affect any Notes issued under the Programme prior to the date of this Programme Circular.

Arranged by:

**UBS Investment Bank**

Dealers:

Barclays  
Citigroup  
Credit Suisse  
Deutsche Bank  
HSBC  
Morgan Stanley  
Nomura

BNP PARIBAS  
Commonwealth Bank of Australia  
Daiwa Capital Markets Europe  
Goldman Sachs International  
J.P. Morgan  
NatWest Markets  
UBS Investment Bank

Dated 3 July 2017

## IMPORTANT INFORMATION

This Programme Circular comprises a base prospectus for Commonwealth Bank of Australia only for the purposes of Article 5.4 of the Prospectus Directive. When used in this Programme Circular, “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in a relevant Member State of the European Economic Area (the “EEA”).

The Issuer accepts responsibility for the information contained in this Programme Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Programme Circular, is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Programme Circular is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see “*Documents Incorporated by Reference*”). This Programme Circular shall be read and construed on the basis that those documents are so incorporated and form part of this Programme Circular.

The Dealers (which term in this paragraph and the third paragraph below includes Commonwealth Bank of Australia in its capacity as a dealer but does not include Commonwealth Bank of Australia in its capacity as issuer of the Notes) have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in this Programme Circular or any further information supplied by the Issuer in connection with the Notes.

No person has been authorised to give any information or to make any representation not contained in this Programme Circular or any further information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Programme Circular nor any further information supplied in connection with the Programme or any Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Programme Circular or any further information supplied in connection with the Programme or the Notes should purchase any Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Programme Circular nor any further information supplied in connection with the Programme or the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

The delivery of this Programme Circular does not at any time imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any further information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial or other condition or affairs of the Issuer or any of its subsidiaries during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

The distribution of this Programme Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Programme Circular and the offer or sale of the Notes in the United States of America, the EEA (including the United Kingdom and Luxembourg), Japan, Australia, New Zealand, Hong Kong, the PRC, Macau (each as defined below), the Republic of Korea, Singapore and Taiwan (see “*Subscription and Sale*”).

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction (see “*Subscription and Sale*”).

**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes, from 1 January 2018 are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## **PRESENTATION OF INFORMATION**

In this Programme Circular, all references to:

- "U.S. dollars", "USD" and "U.S.\$" are to United States dollars;
- "JPY", "Yen" and "¥" are to Japanese yen;
- "Sterling", "GBP" and "£" are to pounds sterling;
- "AUD" and "A\$" are to Australian dollars;
- "NZD" and "NZ\$" are to New Zealand dollars;
- "HKD" and "Hong Kong dollars" are to the lawful currency of Hong Kong;
- "Renminbi", "RMB" and "CNY" are to the lawful currency of the People's Republic of China (the "PRC") which for purposes of this Programme Circular excludes the Hong Kong Special Administrative Region of the PRC ("Hong Kong"), the Macau Special Administrative Region of the PRC ("Macau") and Taiwan;

- “CHF” and “Swiss Francs” are to the lawful currency of Switzerland;
- “euro”, “EUR” and “€” refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended; and
- “Issuer” or “Bank” are to Commonwealth Bank of Australia and, as appropriate, its subsidiaries.

### **AUSTRALIAN BANKING LEGISLATION**

The Issuer is an authorised deposit-taking institution (an “ADI”) for the purposes of the Banking Act 1959 of Australia (the “Banking Act”). The Banking Act provides that, in the event an ADI 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, any Notes issued under the Programme). 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, subject to certain conditions including as to currency and unless prescribed otherwise by regulations, an account or a specified financial product: (a) 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) otherwise prescribed by regulation. The Australian Treasurer has published a declaration of products prescribed as protected accounts for the purposes of the Banking Act. Changes to applicable law may extend the liabilities required to be preferred by law.

Any Notes issued under the Programme will not represent a protected account of, or a deposit with, the Issuer. The liabilities which are preferred by law to the claim of a holder of a Note issued under the Programme will be substantial and the Conditions of the Notes do not limit the amount of such liabilities which may be incurred or assumed by the Issuer from time to time.

The offer or sale of any Notes under the Programme will not require disclosure under Part 6D.2 or Part 7.9 of the Corporations Act 2001 of Australia (“Corporations Act”) as the Issuer is an ADI under the Banking Act and section 708(19) of the Corporations Act provides that an offer of an ADI’s debentures for issue or sale does not need such disclosure. Accordingly, this Programme Circular has not been, nor will be, lodged with nor registered by the Australian Securities and Investments Commission (“ASIC”).

### **STABILISATION**

**In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the “Stabilisation Manager(s)”) (or persons acting on behalf of any Stabilisation Manager(s)) may, outside of Australia and on a financial market operated outside of Australia, over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

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## Overview of the Programme

*The following overview does not purport to be complete and is not a summary for the purposes of the Prospectus Directive. The following overview is qualified in its entirety by the remainder of this Programme Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.*

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC (the **Prospectus Regulation**).

Words and expressions defined in “*Form of the Notes*” and “*Conditions of the Notes*” and not otherwise defined shall have the same meanings in this Overview.

**Issuer:** Commonwealth Bank of Australia

**Description:** Euro Medium Term Note Programme

**Arranger:** UBS Limited

**Dealers:** Barclays Bank PLC  
BNP Paribas  
Citigroup Global Markets Limited  
Commonwealth Bank of Australia  
Credit Suisse Securities (Europe) Limited  
Daiwa Capital Markets Europe Limited  
Deutsche Bank AG, London Branch  
Goldman Sachs International  
HSBC Bank plc  
J.P. Morgan Securities plc  
Morgan Stanley & Co. International plc  
Nomura International plc  
The Royal Bank of Scotland plc (trading as NatWest Markets)  
UBS Limited

and any other Dealers appointed in accordance with the Programme Agreement.

**Certain restrictions:** Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time including the following restrictions applicable at the date of this Programme Circular.

*Notes having a maturity of less than one year*

Notes having maturity of less than one year from the date of issue will be issued (i) to a limited class of professional investors and will have a denomination of at least £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling) and no part thereof will be transferable unless the redemption value of that part is not less than £100,000 (or such an equivalent amount) or (ii) in any other circumstances which do not violate section 19 of the Financial Services and Markets Act 2000 (“FSMA”).

**Issuing and Principal  
Paying Agent:** Deutsche Bank AG, London Branch

**Registrar:** Deutsche Bank Luxembourg S.A.

**Distribution:** Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

**Currencies:** Subject to any applicable legal or regulatory restrictions, Notes may be

denominated in U.S. dollars, euro, Yen, Sterling, Australian dollars, New Zealand dollars, Hong Kong dollars, Renminbi, Swiss Francs and such other currencies as may be agreed with the relevant Dealer.

<b>Maturities:</b>	Subject to any applicable laws and regulations, any original maturity.
<b>Issue Price:</b>	Notes may be issued at par or at a discount to, or premium over, par.
<b>Form of Notes:</b>	The Notes will be issued in either bearer or registered form as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and vice versa.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable in arrear on such date or dates in each year as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest at a rate determined on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes, or on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service.</p> <p>The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms.</p>
<b>Other provisions in relation to Floating Rate Notes:</b>	<p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes will be payable on Interest Payment Dates, as agreed at the time of agreement to issue, and (where applicable) will be calculated on the basis of the Day Count Fraction specified in the applicable Final Terms.</p> <p>Details of the interest rate applicable to the then current Floating Interest Period in respect of the Floating Rate Notes of any Series will be available from the Principal Paying Agent.</p>
<b>Zero Coupon Notes:</b>	Zero Coupon Notes will be offered and sold at par or at a discount to their nominal amount and will not bear interest.
<b>Redemption:</b>	The applicable Final Terms will indicate either that the Notes of that Tranche cannot be redeemed prior to their stated maturity, other than for taxation reasons, or that such Notes will be redeemable at the option of the Issuer (in specified amounts if the applicable Final Terms so indicate) and/or at the option of the holder(s) of such Notes on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be indicated in the applicable Final Terms.

## **Risk Factors**

*In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due under the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due under the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Programme Circular a number of factors which could materially adversely affect its businesses and ability to make payments due under the Notes.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued by the Issuer under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Programme Circular and reach their own views prior to making any investment decision.*

*Notwithstanding anything in these risk factors, these risk factors should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or that the Issuer will be unable to comply with its obligations as a supervised firm regulated by the Prudential Regulation Authority and the Financial Conduct Authority.*

*Words and expressions defined in "Form of the Notes" and "Conditions of the Notes" and not otherwise defined shall have the same meanings when used herein.*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

#### ***The Issuer's businesses may be adversely affected by economic conditions, disruptions in the global financial markets and associated impacts***

As a diversified financial institution that operates in various financial markets the Issuer has in prior years been adversely impacted, both directly and indirectly, by difficult market conditions and could be adversely affected should markets deteriorate again in the future.

The Issuer's businesses operate in, or depend on the operation of, these markets, including through exposures in securities, loans, derivatives and other activities. In addition, turmoil in the financial markets can flow into the wider economy and feedback into the financial system.

By the nature of its operations, the Issuer faces the risk of financial contagion and its operations could be adversely impacted if economic conditions offshore deteriorate to the extent that sovereign or non-sovereign entities default on their debt obligations, countries re-denominate their currencies and/or introduce capital controls, and global financial markets cease to operate efficiently.

#### ***A downturn in the Australian and New Zealand economies could adversely impact the Issuer's results***

As a financial group whose core businesses are banking, funds management and insurance primarily located in Australia and New Zealand, the performance of the Issuer is dependent on the state of the Australian and New Zealand economies, customer and investor confidence and prevailing market conditions.

The Issuer can give no assurances as to the likely future conditions of the Australian and New Zealand economies, which can be influenced by many factors within and outside Australia and New Zealand, which are outside of the Issuer's control.

Internationally, concerns about sovereign debt, banking system fragility and weaknesses in some of Australia's trading partners has the potential to impact on economic activity and sentiment in Australia and elsewhere. China is Australia's major trading partner and a significant driver of commodity demand and prices. Anything that adversely affects China's economic growth could adversely affect the Australian economic activity and incomes.



A material downturn in the Australian and/or New Zealand economies could adversely impact future results and could potentially result in further increases in the amount overdue on individual loans made by the Issuer. Recessive economic cycles also have a negative influence on, amongst other things, liquidity levels, credit defaults of corporations and other borrowers and return on assets. The Issuer's banking business is affected by market conditions in that there may be less demand for loan products, deposits or other products, or certain customers may face difficulty in meeting their obligations. In particular, a significant or sustained decrease in the Australian and New Zealand housing markets or property valuations could adversely affect the Issuer's home and commercial mortgage portfolio.

Furthermore, weaknesses in global securities or other financial markets due to credit, liquidity or other problems could result in a decline in the Issuer's revenues from the Issuer's funds management and insurance business.

***The Issuer may incur losses associated with its counterparty exposures***

The Issuer faces the possibility that a counterparty may be unable to honour its contractual obligations. Such parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk may arise, for example, through the selling of home, personal and business loans, entering into swap or other derivative contracts under which counterparties have obligations to make payments to the Issuer, executing currency or other trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. This risk also arises from the Issuer's exposure to lenders mortgage insurance providers and re-insurance providers.

***Liquidity and funding risks could adversely impact the Issuer's results***

The Issuer is subject to liquidity and funding risks, which could adversely impact its future results. Liquidity risk is the risk of being unable to meet financial obligations as they fall due. Funding risk is the risk of over-reliance on a funding source to the extent that a change in that funding source could increase overall funding costs or cause difficulty in raising funds. Further information on liquidity and funding risk is outlined in the following four risk factors and is also included in note 34 to the Issuer's audited consolidated and non-consolidated annual financial statements for the financial year ended 30 June 2016.

***Adverse financial and credit market conditions may significantly affect the Issuer's ability to access international debt markets, on which it relies for a substantial amount of its wholesale funding***

In recent years, the global debt and equity markets have experienced significant volatility due to factors such as concern over European sovereign debt levels and the downgrade in the ratings of sovereigns and banks by the ratings agencies. While the majority of the Issuer's funding comes from deposits, it remains reliant on offshore wholesale funding markets to source a significant amount of its funding. Global market volatility may result in increased competition for deposits in Australia, which could adversely impact the cost of this funding and increase the cost to accessing wholesale funding markets. If the Issuer is unable to pass its increased funding costs on to its customers, its net interest margins will contract, which will adversely impact the Issuer's results of operations and the ability of the Issuer to maintain or grow its current business operations.

Disruptions, uncertainty or volatility in financial markets may limit the Issuer's access to funding, particularly its ability to issue securities in international markets at a cost that is acceptable to the Issuer. These market conditions may limit the Issuer's ability to replace, in a timely manner, maturing liabilities and access the funding necessary to grow the Issuer's business. As such, the Issuer may decide to issue securities with shorter tenors than it prefers, or pay less attractive interest rates, thereby increasing its interest expense, decreasing its profitability and significantly reducing its financial flexibility. If the Issuer is unable to source appropriate funding, it may also be forced to reduce its lending or begin to sell liquid securities. Such activities may adversely affect the Issuer's business.

***Adverse financial market conditions or specific Issuer circumstances may significantly affect the Issuer's ability to access domestic and international capital markets***

Disruptions, uncertainty or volatility in financial markets may limit the Issuer's ability to access capital markets in a timely manner or at a cost that is acceptable to the Issuer. There may be circumstances where Issuer specific conditions (for example reduced profitability), as opposed to general market conditions (for example a global

recession), could also limit the Issuer's access to capital markets. The Issuer operates an Internal Capital Adequacy Assessment Process ("ICAAP") to manage its capital levels and to maintain them above Board approved minimum levels (which in turn are set to exceed regulatory minima). The ICAAP includes forecasting and stress testing of capital levels which guides the Issuer in selecting any capital management initiatives it may undertake. Should the ICAAP forecasts or stress tests not be adequate or comprehensive, the Issuer may not be holding sufficient capital and may need to raise capital to manage balance sheet growth and/or extreme stress.

***Adverse financial market conditions or specific Issuer circumstances may significantly affect the Issuer's ability to maintain adequate levels of liquidity***

The Issuer's liquidity and funding policies are designed to ensure it will meet its obligations as and when they fall due, by seeking to ensure it is able to borrow on an unsecured basis, has sufficient assets to borrow against on a secured basis, or has sufficient high quality liquid assets to sell to raise immediate funds without adversely affecting the Issuer's net asset value. The Issuer actively monitors and manages its liquidity and funding profile, however if it is unable to maintain adequate levels of liquid assets (for example should financial markets close for an extended period of time), it could have adverse effects on the Issuer's operations and financial condition.

***Failure to maintain credit ratings could adversely affect the Issuer's cost of funds, liquidity, access to debt and capital markets, and competitive position***

A credit rating is an opinion on the general creditworthiness of an obligor. The Issuer's credit ratings affect the cost and availability of its funding from debt and other funding sources. Credit ratings may also impact the cost and availability of capital. Credit ratings may be an important source of information used by current and potential customers, counterparties, intermediaries and lenders when evaluating the Issuer's products and creditworthiness. Investors also may also consider the credit rating prior to investing in the Issuer. Therefore, maintaining the Issuer's current high quality credit ratings is important.

The rating agencies determine the Issuer's credit rating after an initial assessment of a number of stand-alone factors including the Issuer's financial strength and outlook, and its key operating environments (such as the Australian and New Zealand financial systems). The stand-alone assessment is then coupled with an assessed level of government support and hence also is influenced by the credit rating of the Commonwealth of Australia. A downgrade in a credit rating could be due to a change in the rating agencies' assessment and rating methodology, or from an adverse change in the Issuer's financial position and outlook. A downgrade could also be due to a change in the outlook of the sovereign and its ability to provide support in times of stress. The manifestation of one or more of the Risk Factors highlighted in this section could affect the Issuer's financial position and outlook, and could drive a change in the Issuer's credit ratings.

A downgrade to the Issuer's credit ratings, or the ratings of the Commonwealth of Australia could adversely affect the Issuer's cost of funds and related margins, liquidity position, collateral requirements and cost of capital. A downgrade to the Issuer's credit ratings could also negatively impact its competitive position. The extent and nature of these impacts would depend on various factors, including the extent of any ratings change and the Issuer's credit rating relative to its peers.

***Failure to hedge effectively against adverse fluctuations in exchange rates could negatively impact the Issuer's results of operations***

The Issuer undertakes a substantial portion of its wholesale funding in international capital markets in currencies other than the Australian dollar, principally the U.S. dollar and the Euro. This exposes the Issuer to risks associated with exchange rates for the Australian dollar, which is the currency in which it prepares its financial statements and the principal currency of the Issuer's revenue and operating cash flows.

The impact of such exchange rate risk cannot be predicted reliably. The Issuer attempts to manage its exchange rate risks with a view to minimising any adverse effect on its financial position and performance. However, the level of the Issuer's hedging may change over time, and the Issuer may change its hedging policy at any time. The Issuer's results of operations may be adversely affected if its hedges are not effective to mitigate exchange rate risks or for balance sheet purposes, if the Issuer is inappropriately hedged or if a hedge provider defaults on its obligations under the Issuer's hedging agreements. There can be no assurance that the Issuer's exchange rate hedging arrangements or hedging policy will be sufficient or effective.

***The Issuer is subject to extensive regulation and an environment of political scrutiny, which could impact its operational and financial condition***

The Issuer's banking, funds management and insurance activities are subject to extensive regulation, by Australian regulators and regulators in other jurisdictions in which the Issuer conducts business. The Issuer's business and earnings are also affected by the fiscal or other policies that are adopted by various regulatory authorities of the Australian and New Zealand governments and the governments and regulators of the other jurisdictions in which the Issuer conducts business. The Issuer is supervised by APRA. APRA sets the prudential requirements with which the Issuer must comply, including base capital requirements.

The events in the financial services industry and, more generally, in the international financial markets and the global economy, have resulted in various changes to the regulation of the financial services industry. Any changes to the regulatory requirements to which the Issuer is subject could have an adverse impact on the Issuer's results of operations.

There is currently an environment of heightened political scrutiny on the Australian financial services industry. The 2017 Federal Budget introduced a new major bank levy for ADIs with licensed entity liabilities of at least A\$100 billion, that is to be levied from 1 July 2017 (the "Major Bank Levy"), as well as other announcements in relation to changes to regulation. Liabilities subject to the Major Bank Levy will include corporate bonds, commercial paper, certificates of deposit and Tier 2 capital instruments. The Major Bank Levy will not apply to additional Tier 1 capital and deposits of individuals, businesses and other entities protected by the Financial Claims Scheme. On 22 May 2017, the Issuer estimated that the Major Bank Levy will amount to a levy of approximately A\$315 million per annum for the Issuer, and A\$220 million after tax, based on the limited information on which it was able to base such calculations, the Issuer's current financial position and subject to any further amendments made to the Major Bank Levy through the parliamentary process.

On 22 June 2017, the South Australian Government introduced a similar levy as part of the 2017 South Australian Budget (the "South Australian Levy"). The South Australian Levy will apply to all banks that operate in South Australia and are liable for the Major Bank Levy. The amount payable under the South Australian Levy will be equal to each bank's levy base under the Major Bank Levy multiplied by South Australia's gross state product share of the Australian gross domestic product multiplied by a levy rate of 0.06 per cent.

Regulation is becoming increasingly extensive and complex. While there can be no assurance that any or all of the currently proposed regulatory changes will ultimately be adopted, or the final form that any such regulations may ultimately take, any such changes, if enacted or adopted, may impact the profitability or size of the Issuer's business activities, require changes to certain business practices, and expose the Issuer to additional costs. Such additional costs may result from, among other things, holding additional capital and significant levels of liquid assets and undertaking changes to the Issuer's wholesale funding profile. These changes may also require the Issuer to invest significant management attention and resources to make any necessary changes, and could therefore also adversely affect the Issuer's business and operations.

***The Issuer is subject to compliance risk, which could adversely impact its future results***

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss of reputation that the Issuer may suffer as a result of its failure to comply with the requirements of relevant laws, regulatory bodies, industry standards and codes. Increasing volume, complexity and global reach of such requirements, and the increased propensity for sanctions and the level of financial penalties for breaches of requirements could have an adverse impact on the Issuer.

***The Issuer may incur losses from operational risks associated with being a complex financial institution***

Operational risk is defined as the risk of economic gain or loss resulting from (i) inadequate or failed internal processes and methodologies, (ii) people, (iii) systems and models used in making business decisions, or (iv) external events.

The Issuer is exposed to the risk of loss resulting from human error, the failure of internal or external processes and systems or from external events including the failure of third party suppliers and vendors to provide contracted services. Such operational risks may include theft and fraud, improper business practices, client suitability and servicing risks, product complexity and pricing risk or improper recording, evaluating or

accounting for transactions, breach of security and physical protection systems, or breaches of the Issuer's internally and externally imposed policies and regulations. The Issuer's use of third party suppliers and third party partnerships expose it to reputational damage or an adverse impact on its future results due to the demise of, or a severe event at, a critical party. There is also a risk that if the Issuer does not have the right level of appropriately skilled staff, if its systems do not operate effectively or if appropriate and effective governance arrangements are not in place, the Issuer could make inappropriate decisions.

As the Issuer increases its analytical capabilities and the use of models in its decision making, the reliability of the Issuer's data and models is becoming even more crucial. There is a risk that the Issuer makes inappropriate decisions due to poor data quality or models that are not fit for purpose, resulting in actual risk exposures being greater than expected by Management, leading to unexpected losses and depletion of capital levels.

The Issuer's businesses are highly dependent on the Issuer's ability to process and monitor, in many cases on a daily basis, a very large number of transactions, many of which are highly complex, across multiple markets in many currencies. The Issuer's financial, accounting, data processing or other operating systems and facilities may fail to operate properly or may become disabled as a result of events that are wholly or partially beyond the Issuer's control, such as a spike in transaction volume, adversely affecting the Issuer's ability to process these transactions or provide these services.

As with any business operating in the financial services market, the Issuer utilises complex technology frameworks and systems to deliver its services and manage internal processes. Additionally, the Issuer's strategy seeks to establish long term global competitive advantage through leadership in the application of technology.

Disruptions to the technology framework can have a significant impact on the Issuer's operations. These disruptions can be caused from internal events (e.g. system upgrades) and external events (e.g. failure of vendors' systems or power supplies or technology attacks by third parties).

***The Issuer may face information security risks, including cyber-attacks***

The Issuer's businesses are highly dependent on its information technology systems. The Issuer devotes significant effort to protecting the confidentiality, integrity and availability of its computer systems, software and networks, including maintaining the confidentiality of information that may reside on those assets. However, the Issuer's security measures cannot provide absolute security.

Information security risks for large financial institutions have increased in recent years, in part because of the proliferation of new technologies, the use of internet and telecommunications technology and the increased sophistication and activities of organised criminals and hackers. In addition, to access the Issuer's products and services, customers may use personal smartphones, personal computers and other computing devices, personal tablet computers and other mobile devices that are beyond the Issuer's control systems. Although the Issuer takes protective measures and endeavours to modify them as circumstances warrant, its computer systems, software and networks may be vulnerable to unauthorised access, misuse, denial-of-service attacks, phishing attacks, computer viruses or other malicious code and other events that could result in the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential property and other information of the Issuer, its employees, customers or of third parties or otherwise materially disrupt the Issuer's or its customers' or third parties' network access or business operations.

It is possible that the Issuer (or its third party suppliers) may not be able to anticipate or to implement effective measures to prevent or minimise damage that may be caused by all information security threats, because the techniques used can be highly sophisticated, can evolve rapidly and those that would perpetrate attacks can be well resourced.

Information security threats may also occur as a result of the Issuer's size and role in the financial services industry, its plans to continue to implement internet banking and mobile banking channel strategies and develop additional remote connectivity solutions, the outsourcing of some of the Issuer's business operations and the threat of cyber terrorism.

An information security failure could have serious consequences for the Issuer including among other things, operational disruption, financial losses, a loss of customer or business opportunities, litigation, regulatory

penalties or intervention, reputational damage, theft of intellectual property and customer data, and could result in violations of applicable privacy laws, all of which could have a material impact on the Issuer.

***The Issuer may incur losses as a result of the inappropriate conduct of its staff***

The Issuer operates in a range of regulated markets both in Australia and globally and is highly dependent on the conduct of its employees, contractors and external service providers. The Issuer and its businesses could, for example, be adversely affected if an employee, contractor or external service provider does not act in accordance with regulations and associated procedures, or engages in inappropriate or fraudulent conduct. Losses, financial penalties or variations to the operating licenses may be incurred from an unintentional or negligent failure to meet a professional obligation to specific clients, including fiduciary and suitability requirements, or from the nature or design of a product. These may include client, product and business practice risks such as product defects and unsuitability, market manipulation, insider trading, misleading or deceptive conduct in advertising and inadequate or defective financial advice. While the Issuer has policies and processes to minimise the risk of human error and employee, contractor or external service provider misconduct, these policies and processes may not always be effective.

***Market risks could adversely impact the Issuer's results***

Market risk is the potential of loss arising from adverse changes in interest rates, foreign exchange rates, commodity and equity prices, credit spreads, lease residual risk values, and implied volatility levels for all assets and liabilities where options are transacted. For the purposes of market risk management, the Issuer makes a distinction between traded and non-traded market risks. Traded market risks principally arise from the Issuer trading and distributing financial markets products and providing risk management services to customers on a global basis. The predominant non-traded market risk is interest rate risk in the banking book. Other non-traded markets risks are transactional and structural foreign exchange risk arising from capital investments in offshore operations, non-traded equity risk, market risk arising from the insurance business and lease residual value risk.

***Strategic business risks could adversely impact the Issuer's results***

The Issuer is subject to strategic business risk, which is defined as the risk of economic loss resulting from changes in the business environment caused by macroeconomic conditions, competitive forces, technology, regulation and/or social trends. While the Board receives reports on and monitors business plans, major projects and the implementation of other significant initiatives, there can be no assurance that such initiatives will always be successful or that they will not result in financial loss or loss of reputation for the Issuer as business strategies and objectives are defined.

In recent times, there have been increasing instances of investor activism in Australia where shareholder or special interest groups target the Issuer in relation to particular social or environmental issues and influence how the Issuer operates or implements its strategy. Areas which have attracted investor activism in Australia, including among institutional shareholders, include making socially responsible investment and avoiding financing or interacting with businesses that do not demonstrate responsible management or environmental and social issues. The prevalence of investor activism could adversely impact management's decision-making and the success of the implementation of its initiatives, which in turn could adversely affect the Issuer's results of operations.

***The Issuer faces intense competition, which could adversely impact its results***

The Issuer faces intense competition in all of its principal areas of operation and geographical markets, principally Australia and New Zealand. Competition is expected to increase, especially from non-Australian financial services providers who continue to expand in Australia, and from new non-bank entrants who may be unregulated or subject to lower regulatory standards.

If the Issuer is unable to compete effectively in its various businesses and markets, its market share may decline. Increased competition may also adversely affect its results of operations by diverting business to the Issuer's competitors or creating pressure to lower margins.

***The Issuer's business may be adversely affected by acquisitions of businesses***

From time to time the Issuer evaluates and undertakes acquisitions of businesses. With acquisitions there is a risk that the Issuer may suffer a downgrade of its credit ratings, may not achieve expected synergies from the acquisition as a result of difficulties in integrating information and other systems, may achieve lower than expected cost savings or otherwise incur losses, may lose customers and market share, or face disruptions to the Issuer's operations resulting from integrating the systems and processes of the acquired business into the Issuer, or the acquisition may have other negative impacts on the Issuer's results, financial condition or operations. Where acquisitions are in emerging economies, the Issuer may be exposed to heightened levels of political, social or economic disruption that are currently intrinsic in many such economies. These risks are considered as part of any due diligence undertaken. The Issuer regularly assesses acquisition opportunities and if it were to undertake significant levels of acquisitions these risks may be exacerbated.

***Reputational damage could harm the Issuer's business and prospects***

Various issues may give rise to reputational damage and cause harm to the Issuer's business and prospects. These issues could include inappropriately dealing with potential conflicts of interest, legal and regulatory requirements (such as, money laundering, trade sanctions and privacy laws), inadequate sales and trading practices, inappropriate management of conflicts of interest and other ethical issues, technology failures, and non-compliance with internal policies and procedures. Failure to address these issues appropriately could also give rise to additional legal risk, subjecting the Issuer to regulatory enforcement actions, fines and penalties, or harm the Issuer's reputation and integrity among customers, investors and other stakeholders.

***Insurance risk could adversely impact the Issuer's results***

Insurance risk exposure arises due to the potential for events that the Issuer has insured against occurring more frequently or with greater severity than anticipated when premiums were set. In the life insurance business this exposure arises primarily through mortality (death) and morbidity (illness and injury) related claims being greater than expected whereas for the general insurance business, variability arises mainly through weather related incidents (such as floods or bushfires) and similar calamities, as well as general variability in home, motor and travel insurance claim amounts. The Issuer believes its exposure to insurance risk is small due to the size of its insurance business relative to the size of the Issuer. Additionally, the Issuer believes it maintains good risk controls around its insurance exposures and enters into reinsurance arrangements (as further described in note 31 to the Issuer's audited consolidated and non-consolidated annual financial statements for the financial year ended 30 June 2016), however, no assurance can be given that the foregoing effectively mitigates the Issuer's insurance risk.

***The Issuer could suffer losses due to catastrophic events***

The Issuer and its customers operate businesses and hold assets in a diverse range of geographical locations. Any significant environmental change or external catastrophic event (including fire, storm, flood, earthquake, pandemic, civil unrest, war or terrorism) in any of these locations has the potential to disrupt business activities, impact on the Issuer's operations, damage property and otherwise affect the value of assets held in the affected locations and the Issuer's ability to recover amounts owing to it. In addition, such an event could have an adverse impact on economic activity, consumer and investor confidence or the levels of volatility in financial markets. This risk of losses due to catastrophic events is also directly relevant to the Issuer's insurance business.

***Substantial legal liability or regulatory action against the Issuer could negatively impact the Issuer's business***

Due to the nature of the Issuer's business, it is involved in litigation, arbitration and regulatory proceedings, principally in Australia and New Zealand. Such matters are subject to many uncertainties, and the outcome of individual matters cannot be predicted with certainty. If the Issuer is ordered to pay money (for example damages, fines, penalties or legal costs), has orders made against its assets (for example a charging order or writ of execution), is ordered to carry out conduct which adversely affects its business operations or reputation (for example corrective advertising) or is otherwise subject to adverse outcomes of litigation, arbitration and regulatory proceedings, the Issuer's profitability may be adversely affected.

## **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

### **Risks related to the structure of a particular issue of Notes**

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

***If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.***

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.***

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Notes convert from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

***Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.***

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

### **Risks related to Notes generally**

Set out below is a description of material risks relating to the Notes generally:

#### ***Investments in Notes are not deposit liabilities or protected accounts under the Banking Act***

Investments in Notes are an investment in the Issuer and may be affected by the on-going performance, financial position and solvency of the Issuer. Notes are not deposit liabilities or protected accounts under the Banking Act. Therefore, Notes are not guaranteed or insured by any Australian government, government agency or compensation scheme of Australia or any other jurisdiction.

#### ***Insolvency laws***

In the event that the Issuer becomes insolvent, insolvency proceedings in respect of the Issuer will be governed by Australian law. Potential investors should be aware that Australian insolvency laws are different from the insolvency laws in other jurisdictions. In particular, the voluntary administration procedure under the Corporations Act, which provides for the potential re-organisation of an insolvent company, differs significantly from similar provisions under the insolvency laws of other jurisdictions.

***The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.***

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally, including modifications of the Conditions. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority and therefore there is no guarantee that the resolutions approved will be consistent with the interests and/or the votes cast by each Noteholder.

***Substitution of the Issuer***

If the conditions set out in the Conditions of the Notes are met, the Issuer may, without the consent or sanction of the Noteholders, substitute in its place a new issuer as debtor in respect of all obligations arising under or in connection with the Notes (the “Substituted Company”). In that case, the Noteholders will also assume the insolvency risk with regard to the Substituted Company.

***The value of the Notes could be adversely affected by a change in English law or administrative practice.***

The Conditions of the Notes are based on English law in effect as at the date of this Programme Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Programme Circular. Any such change could materially adversely impact the value of any Notes affected by it.

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***The Notes will not have any covenant restricting the incurrence of liens for the benefit of other external indebtedness of the Issuer***

As at the date of this Programme Circular, a significant amount of the Issuer’s long term indebtedness has the benefit of a covenant that the Issuer will not create or have outstanding any mortgage, pledge or other charge, upon or with respect to, any of its present or future assets or revenues to secure repayment of, or to secure any guarantee or indemnity in respect of, any “external indebtedness” (as defined below) without according the same to the holders of that long term indebtedness. This covenant has not been given for the benefit of holders of any Notes issued under the Programme the terms and conditions of which are contained in the Programme Circular dated 13 October 2011 or any Programme Circular published by the Issuer after this date and will not be given for the benefit of the holders of any Notes, the terms and conditions of which are those contained in this Programme Circular.

As used in the previous paragraph, “external indebtedness” means any obligation for the repayment of borrowed money in the form of or represented by bonds, notes, debentures or other securities:



- (a) which are initially offered outside the Commonwealth of Australia with the consent of the Issuer in an amount exceeding 50 per cent. of the aggregate nominal amount of the relevant issue; and
- (b) which are, or are capable of being, quoted, listed or ordinarily traded on any stock exchange or on any recognised securities market.

### **Risks related to the market generally**

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes***

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market at prices higher than the relevant investor's initial investment. Therefore, in establishing their investment strategy, investors should ensure that the term of the Notes is in line with their future liquidity requirements. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Each of the Issuer and any Dealer may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private treaty. To the extent that an issue of Notes becomes illiquid, an investor may have to hold the relevant Notes until maturity before it is able to realise value.

***Investors may receive less in the secondary market than their initial investment.***

If it is possible to sell Notes, they would be sold for the prevailing bid price in the market and may be subject to a transaction fee. The prevailing bid price may be affected by several factors including prevailing interest rates at the time of sale, the time left before the stated maturity date and the creditworthiness of the Issuer. It is therefore possible that an investor selling Notes in the secondary market may receive a price less than that investor's initial investment in the relevant Notes.

***Impact of implicit fees on the Issue/Offer Price of the Notes***

Investors should note that implicit fees (e.g. placement fees, direction fees, structuring fees) may be a component of the Issue/Offer Price of Notes, but such fees will not be taken into account for the purposes of determining the price of such Notes in the secondary market.

The Issuer will specify in the applicable Final Terms, the type and amount of any implicit fees which are applicable from time to time.

Investors should also take into consideration that if Notes are sold on the secondary market immediately following the offer period relating to such Notes, the implicit fees included in the Issue/Offer Price on initial subscription for such Notes will be deducted from the price at which such Notes may be sold in the secondary market.

***If an investor holds Notes which are not denominated in the investor's home currency, that investor will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's

Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The above risks may be increased if any Specified Currency and/or an Investor's Currency is the currency of an emerging market jurisdiction.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.***

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

***Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes***

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. In addition actual or anticipated changes in the credit ratings of the Notes will generally affect any trading for, or trading value of, the Notes.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Programme Circular.

***Changes in any applicable tax law or practice may have an adverse effect on a Noteholder***

Any relevant tax law or practice applicable as at the date of this Programme Circular and/or the date of purchase or subscription of any Notes may change at any time (including during any subscription period or the term of any Notes). Any such change may have an adverse effect on a Noteholder, including that Notes may be redeemed before their due date, their liquidity may decrease and/or the tax treatment of amounts payable or receivable by or to an affected Noteholder may be less than otherwise expected by such Noteholder.

***Potential conflicts of interest***

Where the Calculation Agent is an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Notes that may influence the amount receivable on redemption of the Notes.

***Risks relating to Notes denominated in Renminbi***

Set out below is a description of the principal risks which may be relevant to an investor in Notes denominated in Renminbi ("Renminbi Notes"):

*Renminbi is not completely freely convertible and there are still significant restrictions on remittance of Renminbi into and out of the PRC, which may adversely affect the liquidity of investments in Renminbi Notes*

Renminbi is not completely freely convertible as of the date of this Programme Circular. The government of the PRC (the “PRC Government”) continues to regulate conversion between Renminbi and foreign currencies despite significant reduction in the control by the PRC Government in recent years over trade transactions involving the import and export of goods and services, as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Participating banks in Hong Kong and a number of other jurisdictions (the “Applicable Jurisdictions”) have been permitted to engage in the settlement of current account trade transactions in Renminbi.

Although from 1 October 2016, Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC Government will liberalise control over cross-border remittance of Renminbi in the future, or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Renminbi Notes.

*There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the Issuer’s ability to source Renminbi outside the PRC to service such Renminbi Notes*

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

The People’s Bank of China (the “PBoC”) has established a Renminbi clearing and settlement mechanism for participating banks in the Applicable Jurisdictions through settlement agreements with certain banks (each a “RMB Clearing Bank”) to act as the RMB clearing bank in the Applicable Jurisdictions. Notwithstanding these arrangements, the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in relation to cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. These banks are only allowed to square their open positions with the relevant RMB Clearing Bank after consolidating the Renminbi trade position of banks outside the Applicable Jurisdictions that are in the same bank group of the participating banks concerned with their own trade position, and the relevant RMB Clearing Bank only has access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. Where onshore liquidity support from the PBoC is not available, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the settlement agreements will not be terminated or amended so as to have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of investments in the Renminbi Notes. To the extent that the Issuer is required to source Renminbi outside the PRC to service the Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Although the Issuer’s primary obligation is to make all payments with respect to Renminbi Notes in Renminbi, where a Renminbi Currency Event is specified in the applicable Final Terms, in the event access to Renminbi becomes restricted to the extent that, by reason of RMB Inconvertibility, RMB Non-Transferability or RMB Illiquidity (each as defined in Condition 7(1)), the Issuer is unable to make any payment in respect of the Renminbi Note in Renminbi, the terms of such Renminbi Notes will permit the Issuer to make payment in U.S. dollars converted at the Spot Rate, all as provided in Condition 7(1). The value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the market place.

*An investment in Renminbi Notes is subject to exchange rate risks*

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. In August 2015, the PBoC implemented changes to the way it calculates the midpoint against the U.S. dollar to take into account market-maker quotes before announcing the daily midpoint. This change, among others that may be implemented, may increase the volatility in the value of Renminbi against other currencies. All payments of interest and principal with respect to Renminbi Notes will be made in Renminbi unless a RMB Currency Event is specified in the applicable Final Terms, and a RMB Currency Event occurs, in which case payment will be made in U.S. dollars. As a result, the value of these Renminbi payments in U.S. dollar or other foreign currency terms may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar or other applicable foreign currencies, then the value of an investor's investment in Renminbi Notes in terms of the U.S. dollar or other applicable foreign currency will decline.

*An investment in fixed rate Renminbi Notes is subject to interest rate risks*

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. If a Renminbi Note carries a fixed interest rate, then the trading price of such Renminbi Notes will vary with the fluctuations in Renminbi interest rates. If an investor in Renminbi Notes tries to sell such Renminbi Notes then it may receive an offer that is less than the amount invested.

*Payments for Renminbi Notes will be made to investors in the manner specified in the Conditions.*

Investors might be required to provide certificates and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong or such other RMB Settlement Centre(s) as may be specified in the applicable Final Terms. Except in the limited circumstances stipulated in Condition 7(1), all payments to investors in respect of Renminbi Notes will be made solely (i) whilst the Renminbi Notes are represented by a Global Note held with the common depositary, for Euroclear and Clearstream, Luxembourg (each as defined in the "Form of the Notes"), with a sub-custodian for CMU or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or such other RMB Settlement Centre(s) in accordance with prevailing Euroclear and Clearstream, Luxembourg rules and procedures or those of the CMU or such alternative clearing system, or (ii) for so long as such Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or such other RMB Settlement Centre(s) in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

## **Documents Incorporated by Reference**

The following documents which have been previously published and have been filed with the Financial Conduct Authority shall be incorporated in and form part of this Programme Circular:

- a) the audited consolidated and non-consolidated annual financial statements and auditors' reports for the financial years ended 30 June 2016 (set out on pages 75 to 181 (inclusive) and pages 183 and 184 of the Annual Report 2016) and 30 June 2015 (set out on pages 71 to 178 (inclusive) and pages 180 and 181 of the Annual Report 2015) of the Issuer;
- b) the unaudited consolidated interim financial statements (including the auditor's review report thereon) as at and for the half year ended 31 December 2016 set out on pages 51 to 72 (inclusive) and page 74 of the Profit Announcement of the Issuer, dated 15 February 2017 (the "Profit Announcement");
- c) the terms and conditions of the notes contained in the Programme Circulars prepared by ASB Finance Limited, ASB Bank Limited and the Issuer dated 26 September 2001, pages 17 to 36 (inclusive); 26 September 2002, pages 17 to 37 (inclusive); 26 September 2003, pages 17 to 37 (inclusive); 1 June 2004, pages 18 to 38 (inclusive); 21 October 2004, pages 20 to 43 (inclusive); 2 March 2005, pages 20 to 43 (inclusive); 14 October 2005, pages 31 to 54 (inclusive); 13 October 2006, pages 32 to 56 (inclusive); 15 October 2007, pages 47 to 71 (inclusive); 16 October 2008, pages 50 to 75 (inclusive); 16 October 2009, pages 62 to 87 (inclusive); 14 October 2010, pages 58 to 92 (inclusive), 13 October 2011, pages 62 to 97 (inclusive) and 20 June 2012, pages 65 to 100 (inclusive); and
- d) the terms and conditions of the notes contained in the Programme Circulars prepared by the Issuer dated 19 June 2013, pages 59 to 84 (inclusive), 24 June 2014, pages 61 to 86 (inclusive), 24 June 2015, pages 36 to 64 (inclusive) and 24 June 2016, pages 34 to 62 (inclusive).

Following the publication of this Programme Circular a supplement may be prepared by the Issuer and approved by the Financial Conduct Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall to the extent applicable (whether expressly by implication or otherwise) be deemed to modify or supersede statements contained in this Programme Circular or in a document which is incorporated by reference in this Programme Circular by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive. Any statement so modified or superseded shall not except as so modified or superseded, constitute a part of this Programme Circular.

Copies of documents incorporated by reference in this Programme Circular will be available from the branch in London of Commonwealth Bank of Australia and from the London office of Deutsche Bank AG, London Branch specified at the end of this Programme Circular. In addition, copies of this Programme Circular and each document incorporated by reference herein are available on the London Stock Exchange's website at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Programme Circular shall not form part of this Programme Circular.

Any non-incorporated parts of a document referred to herein are either (i) not considered by the Issuer to be relevant for prospective investors in the Notes to be issued under the Programme or (ii) covered elsewhere in this Programme Circular.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Programme Circular which is capable of affecting the assessment of any Notes issued by it, prepare a supplement to this Programme Circular or publish a new Programme Circular for use in connection with any subsequent issue of Notes. The Issuer has undertaken to the Dealers in the Programme Agreement (as defined in "Subscription and Sale") that it will comply with section 87G of the FSMA.

## **Form of the Notes**

The Notes of each Series will be in either bearer form (“Bearer Notes”), with or without interest coupons attached, or registered form (“Registered Notes”), without interest coupons attached. Notes will be issued outside the United States in reliance on the exemption from registration provided by Regulation S under the Securities Act (“Regulation S”).

### **Bearer Notes**

Each Tranche of Bearer Notes will initially be represented by one or more temporary global Notes in bearer form (a “Temporary Bearer Global Note”) without Coupons, or Talons (each as defined in “Conditions of the Notes”) which will be deposited on the issue date with either (i) a common depositary on behalf of Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”) or (ii) a sub-custodian for the Hong Kong Monetary Authority (“HKMA”) as operator of the Central Moneymarkets Unit Service (the “CMU Service”).

If an interest payment date for any Bearer Notes occurs whilst such Notes are represented by a Temporary Bearer Global Note, the related interest payment will be made through Euroclear and/or Clearstream, Luxembourg or the CMU Service against presentation of the Temporary Bearer Global Note only to the extent that certification of non-U.S. beneficial ownership (in the form set out in the Temporary Bearer Global Note) has been received by Euroclear or Clearstream, Luxembourg or any entity appointed in relation to the relevant Notes as the CMU Lodging and Paying Agent as specified in the applicable Final Terms (the “CMU Lodging and Paying Agent”).

On or after the date (the “Exchange Date”) which is 40 days after the date on which the Temporary Bearer Global Note is issued, provided that certification of non-U.S. beneficial ownership has been received, interests in the Temporary Bearer Global Note will be exchanged either for (i) interests in a permanent global Note in bearer form (a “Permanent Bearer Global Note” and, together with a Temporary Bearer Global Note, a “Bearer Global Note”) or (ii), at the option of the Issuer, Notes in definitive bearer form. The CMU Service may require that any such exchange for a Permanent Bearer Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service (the “CMU Rules”)) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) have so certified. No payments of interest will be made on a Temporary Bearer Global Note after the Exchange Date.

Payments of principal, premium (if any) or interest (if any) on a Permanent Bearer Global Note will be made through Euroclear or Clearstream, Luxembourg against presentation or surrender, as the case may be, of the permanent global Note without any requirement for certification of non-U.S. beneficial ownership. In respect of a Bearer Global Note held through the CMU Service, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) and save in the case of final payment, no presentation of the relevant Bearer Global Note shall be required for such purpose.

The applicable Final Terms will specify whether a Permanent Bearer Global Note will be exchangeable in whole for security-printed definitive Bearer Notes upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg or, in the case of Notes held through the CMU Service, the CMU Service have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note to be in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event (a) in the case of Notes held by a common depositary for Euroclear and/or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) and/or (b) in the case of Notes

held through the CMU Service, the relevant accountholders therein, may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent. At present, neither Euroclear nor Clearstream, Luxembourg regard Notes in global form as fungible with Notes in definitive form. Temporary Bearer Global Notes and Permanent Bearer Global Notes and definitive Bearer Notes will be issued by the Principal Paying Agent acting on behalf of the Issuer.

The following legend will appear on all Bearer Notes and Coupons: “Any United States person (as defined in the United States Internal Revenue Code) who holds this obligation will be subject to limitations under the United States income tax laws including the limitations provided in sections 165(j) and 1287(a) of such Code.”

The exchange of a Permanent Bearer Global Note for definitive Bearer Notes upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder) or at any time at the request of the Issuer should not be expressed to be applicable in the applicable Final Terms if the Bearer Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Bearer Notes.

### **Registered Notes**

Registered Notes will initially be represented by a global note in registered form (a “Registered Global Note” and, together with a Bearer Global Note, a “Global Note”). Registered Global Notes will be deposited with either (i) a common depositary for Euroclear and Clearstream, Luxembourg and will be registered in the name of its nominee or (ii) a sub-custodian for the HKMA as operator of the CMU Service. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Registered Notes.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7(b)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the definitive Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7(b)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. The Issuer will promptly give notice to Noteholders in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and/or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) and/or (b) in the case of Notes held through the CMU Service, the relevant accountholders therein, may give notice to the Registrar or, as the case may be, the CMU Lodging and Paying Agent requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar or, as the case may be, the CMU Lodging and Paying Agent.

### **Clearing Systems**

Pursuant to the Agency Agreement (as defined under “*Conditions of the Notes*”), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further

Tranche shall be assigned a common code, ISIN and, where applicable, a CMU instrument number which are different from the common code, ISIN and CMU instrument number assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes are represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, each person (other than Euroclear or Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg or the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, any Paying Agent and any Transfer Agent or, as the case may be, the CMU Lodging and Paying Agent as the holder of such nominal amount of Notes for all purposes other than with respect to payments on the Notes for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Paying Agent or, as the case may be, the CMU Lodging and Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note and the terms “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. Notes held in Euroclear and/or Clearstream, Luxembourg and/or the CMU Service and which are represented by a Global Note will only be transferable, and payment in respect of them will only be made, in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg or the CMU Service, as the case may be. Notwithstanding the above, if a Note is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system agreed between the Issuer, the Principal Paying Agent and the relevant Dealer.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the “Deed of Covenant”) dated 3 July 2017 and executed by the Issuer.



## **Applicable Final Terms**

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** – The Notes, from 1 January 2018, are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC (“IMD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

[Date]

**Commonwealth Bank of Australia**  
**ABN 48 123 123 124**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**  
**under the U.S.\$70,000,000,000**  
**Euro Medium Term Note Programme**

### **Part A – Contractual Terms**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Programme Circular dated 3 July 2017 [and the supplement[s] to it dated [ ] [and [ ]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “Programme Circular”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Programme Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Programme Circular. The Programme Circular has been published on [the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>].]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Programme Circular dated [ ] which are incorporated by reference into the Programme Circular dated 3 July 2017. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Programme Circular dated 3 July 2017 [and the supplement[s] to it dated [ ] [and [ ]] which [together] constitute[s] a Programme Circular for the purposes of the Prospectus Directive (the “Programme Circular”), including the Conditions incorporated by reference in the Programme Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Programme Circular. The Programme Circular has been published on [the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>].]

1. Issuer: Commonwealth Bank of Australia
2. (i) Series of which Notes are to be treated as [ ]

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<sup>1</sup> Legend to be included on front of the Final Terms (i) for offers concluded on or after 1 January 2018 if the Notes potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable” or (ii) for offers concluded before 1 January 2018 at the option of the parties.

forming part:

- (ii) Tranche Number: [ ]
- (iii) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a Series with [ ] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 20 below, which is expected to occur on or about [ ]][Not Applicable]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:
- (i) Series: [ ]
- (ii) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ]]
6. (i) Specified Denominations: [ ]
- (ii) Calculation Amount (in relation to calculation of interest on Notes in global form see Conditions): [ ]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [[ ]/Issue Date][Not Applicable]
8. Maturity Date: [ ]/[Interest Payment Date falling in or nearest to [ ]]
9. Interest Basis: [[ ] per cent. Fixed Rate]  
[[ ] month [LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
(see paragraph [13]/[14]/[15] below)
10. Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal amount]
11. Change of Interest Basis: [ ][Not Applicable]
12. Put/Call Options: [Not Applicable]  
[Investor Put]  
[Issuer Call]  
[(see paragraph [16]/[17] below)]

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (ii) (A) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date
- (B) Fixed Interest Periods: [Adjusted/Unadjusted]
- (iii) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in [ ] per [ ] Calculation Amount/Not Applicable])

- global form see Conditions):
- (iv) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (v) Additional Business Centre(s): [[ ]/Not Applicable]
- (vi) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]/[Not Applicable]
- (vii) Day Count Fraction: [Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/360]  
[360/360][Bond Basis]  
[30E/360][Eurobond Basis]  
[Actual/Actual (ICMA)]  
[30/360 (Fixed)][30/360, unadjusted]  
[30E/360 (ISDA)]
- (viii) Determination Date(s): [[ ] in each year] [Not Applicable]
14. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Specified Period(s)/Specified Interest Payment Date(s): [ ]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (iii) Additional Business Centre(s): [Not Applicable/[ ]]
- (iv) Manner in which the Rate of Interest and Interest Amount are to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [ ]
- (vi) Screen Rate Determination:
- Reference Rate: [ ] month [LIBOR/EURIBOR]
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: [ ]
- (vii) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Floating Interest Period shall be calculated using Linear Interpolation]
- (ix) Margin(s): [+/-] [ ] per cent. per annum

- (x) Minimum Rate of Interest: [ ] per cent. per annum
- (xi) Maximum Rate of Interest: [ ] per cent. per annum
- (xii) Day Count Fraction: [Actual/Actual (ISDA)]  
[Actual/Actual (ICMA)]  
[Actual/365 (Fixed)]  
[Actual/360]  
[30/360 (Floating)][360/360][Bond Basis]  
[30E/360][Eurobond Basis]  
[30/360 (Fixed)][30/360, unadjusted]  
[30E/360 (ISDA)]

**15. Zero Coupon Note Provisions**

- [Applicable/Not Applicable]
- (i) Accrual Method: [Linear Accrual/Compounding Accrual]
- (ii) Accrual Yield: [ ] per cent. per annum
- (iii) Reference Amount: [ ]
- (iv) Day Count Fraction in relation to Zero Coupon Notes: Conditions 5(d) and 6(e) apply  
[30/360 (Fixed)]  
[30/360, unadjusted]  
[Actual/360]  
[Actual/365 (Fixed)]

**PROVISIONS RELATING TO REDEMPTION**

16. Issuer Call: [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount: [ ] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ]
- (b) Maximum Redemption Amount: [ ]
- (iv) Notice period: [ ] Business Days
17. Investor Put: [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount: [ ] per Calculation Amount
- (iii) Notice period: [ ] Business Days
18. Final Redemption Amount: [ ] per Calculation Amount
19. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [[ ] per Calculation Amount/Condition 6(f) shall apply]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20. Form of Notes: **[Bearer Notes:**  
Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes upon an Exchange Event]  
  
[Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]

**[Registered Notes:**

[Registered Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg]

[Registered Global Note held through the CMU Service]]

21. Payment Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention]
22. Additional Financial Centre(s): [Not Applicable/[ ]]
23. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No.]

**PROVISIONS APPLICABLE TO RMB NOTES**

24. RMB Currency Event: [Applicable/Not Applicable]
25. Spot Rate (if different from that set out in Condition 7(l)): [[ ]/Not Applicable]
26. Party responsible for calculating the Spot Rate: [[ ] (the “Calculation Agent”)]
27. Relevant Currency (if different from that in Condition 7(l)): [[ ]/Not Applicable]
28. RMB Settlement Centre(s): [[ ]/Not Applicable]

**DISTRIBUTION**

29. Additional selling restrictions:

[Not Applicable]/[**Republic of Korea**

The Notes have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Markets Act (the “FSCMA”).

The Notes may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA, the Foreign Exchange Transaction Law and the decrees and regulations thereunder. Furthermore, the Notes may not be resold to Korean residents unless the purchaser of the Notes complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the Notes. The Aggregate Nominal Amount of the Notes divided by the Specified Denomination, and the number of Notes offered in Korea or to a resident in Korea, shall in each case be less than 50.

By purchasing the Notes, each Noteholder will be deemed to represent, warrant and agree that for a period of one year from the Issue Date thereof, the

Notes may not be sub-divided into smaller denominations than the Specified Denomination.]<sup>2</sup>

Signed on behalf of **Commonwealth Bank of Australia:**

By:.....

Title: :.....

Duly authorised

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<sup>2</sup> Only applicable for Notes sold in the Republic of Korea otherwise this will be Not Applicable.

## Part B– Other Information

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange's regulated market] [and, to be listed on the Official List of the UK Listing Authority] with effect from [ ].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange's regulated market] [and, to be listed on the Official List of the UK Listing Authority] with effect from [ ].]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

The Notes to be issued [have been]/[are expected to be]/[have not been] rated[:

[S&P: [ ]]

[Moody's: [ ]]

[Fitch: [ ]]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to [ ] (the ["Managers"/"Dealers"]), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

### 4. YIELD

[ ]

Indication of Yield:

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 5. HISTORIC INTEREST RATES (FLOATING RATE NOTES ONLY)

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].

### 6. OPERATIONAL INFORMATION

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) CMU Instrument Number: [ ]
- (iv) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/[ ]]
- (v) CMU Lodging and Paying Agent [[ ]/[Not Applicable]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying [ ]

Agent(s) (if any):

(viii) U.S. Selling Restrictions:

[Reg. S Compliance Category 2; TEFRA D/TEFRA not applicable]

(ix) Prohibition of Sales to EEA Retail Investors:

[Applicable/Not Applicable]

*(If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the offer of the Notes will be concluded on or after 1 January 2018 and the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

## **7. THIRD PARTY INFORMATION**

[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]



## Conditions of the Notes

*The following are the Conditions of the Notes which (except for the paragraph in italics) will be incorporated by reference into each global Note and will be endorsed upon each definitive Note. The applicable Final Terms will be endorsed upon, or attached to, each global Note and definitive Note. Reference should be made to "applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series of Euro Medium Term Notes (all of the Euro Medium Term Notes from time to time issued by the Commonwealth Bank of Australia ("the Issuer") which are for the time being outstanding being hereinafter referred to as the "Notes", which expression shall include (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency of the relevant Notes, (ii) definitive Notes issued in exchange (or part exchange) for a global Note and (iii) any global Note). The Notes, the Coupons (as defined below) and the Talons (as defined below) have the benefit of an Amended and Restated Agency Agreement dated 19 June 2013 as supplemented by a Supplemental Agency Agreement dated 24 June 2016, a Supplemental Agency Agreement (Subordinated Notes) dated 30 September 2016 and a Third Supplemental Agency Agreement dated 3 July 2017 (as further amended and/or supplemented and/or restated from time to time, the "Agency Agreement") each made between, *inter alios*, the Issuer, Deutsche Bank AG, London Branch as principal paying agent (the "Principal Paying Agent" which expression shall include any successor as principal paying agent), Deutsche Bank Luxembourg S.A. as registrar (the "Registrar" which expression shall include any successor as registrar) and the paying agents and transfer agents named therein (the "Paying Agents" and the "Transfer Agents", which expressions shall include any additional or successor paying agents and transfer agents). The Noteholders, the Couponholders and the Talonholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the "Deed of Covenant") dated 3 July 2017 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing during normal business hours at the registered office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia, 2000 and copies may be obtained from the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England. If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders, the Couponholders and the Talonholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Any reference to "Noteholders" in relation to any Notes shall mean (in the case of definitive Notes in bearer form) the holders of the Notes and (in the case of definitive Notes in registered form) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to "Couponholders" shall mean the holders of the Coupons and any reference herein to "Talonholders" shall mean the holders of the Talons.

As used herein, "Series" means each original issue of Notes together with any further issues expressed to form a single series with the original issue and the terms of which (save for the Issue Date or Interest Commencement Date, as the case may be, the Issue Price and the amount of the first payment of interest (if any), all as indicated in the applicable Final Terms) are otherwise identical (including whether or not they are listed) and shall be deemed to include the temporary and (where applicable) permanent global Notes and the definitive Notes of such issues and the expressions "Notes of this Series" and "holders of Notes of this Series" and related expressions shall be construed accordingly. As used herein, "Tranche" means all Notes of the same Series with the same Issue Date.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Conditions. References to the “applicable Final Terms” are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

The Noteholders, the Couponholders and the Talonholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions relating to the Notes contained in the applicable Final Terms, the Agency Agreement and the Deed of Covenant which are applicable to them. Words and expressions defined in the Agency Agreement or defined or set out in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated. Copies of the applicable Final Terms are available for inspection by the holders of Notes of this Series at the office of the Principal Paying Agent set out at the end of these Conditions. The statements in these Conditions are summaries of the detailed provisions of the Agency Agreement which provisions shall have precedence over these Conditions if there is any inconsistency.

In the Conditions, “euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

## **1 Form, Denomination and Title**

The Notes of this Series are Bearer Notes or Registered Notes as specified in the applicable Final Terms and are in the currency (the “Specified Currency”) and the denominations (the “Specified Denomination(s)”) specified in the applicable Final Terms. Definitive Notes of this Series (if issued) will be serially numbered and Bearer Notes may not be exchanged for Registered Notes and vice versa. This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or any appropriate combination thereof depending upon the Interest Basis specified in the applicable Final Terms or a combination of any of the foregoing, depending on the Redemption/Payment Basis specified in the applicable Final Terms.

If this Note is a definitive Bearer Note, it is issued with Coupons for the payment of interest (“Coupons”) and, if applicable, Talons for further Coupons (“Talons”) attached, unless it is a Zero Coupon Note in which case references to interest (other than in relation to interest due after the Maturity Date) and Coupons or Talons in these Conditions are not applicable. References in these Conditions, except in this paragraph, Condition 7 and Condition 10, to Coupons or Couponholders shall be deemed to include references to Talons or Talonholders.

Subject as set out below, title to the definitive Bearer Notes and the Coupons will pass by delivery and title to the definitive Registered Notes will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement. The holder of each Coupon, whether or not such Coupon is attached to a Bearer Note, in his capacity as such, shall be subject to, and bound by, all the provisions contained in the relevant Note. Subject as set out below, the Issuer, any Paying Agent and any Transfer Agent may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out below. For so long as any Notes are represented by a global Note held on behalf of Euroclear Bank SA/NV (“Euroclear”) and/or Clearstream Banking S.A. (“Clearstream, Luxembourg”), each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of Notes for all purposes other than with respect to

payments on the Notes for which purpose the bearer of the relevant global Bearer Note or the registered holder of the relevant global Registered Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note and the terms “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, except in the preceding paragraph and in Condition 16, wherever the context so permits, be deemed to include a reference to any additional or alternative clearance system specified in Part B of the applicable Final Terms.

Notes which are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg will only be transferable in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

## **2 Transfer**

- (a) Transfers of beneficial interests in global Registered Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a global Registered Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for definitive Registered Notes or for a beneficial interest in another global Registered Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.
- (b) A definitive Registered Note may be transferred in whole or in part (in the nominal amount of the lowest Specified Denomination or any integral multiple thereof) by the deposit by the transferor of the definitive Registered Note for registration of the transfer at the specified office of a Transfer Agent with the form of transfer endorsed on the definitive Registered Note duly completed and executed by or on behalf of the transferor and upon the relevant Transfer Agent (after due and careful enquiry) being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar may prescribe. Subject as provided above, the relevant Transfer Agent will, within fourteen days of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request a new definitive Registered Note of a like aggregate nominal amount to the definitive Registered Note (or the relevant part of the definitive Registered Note) transferred. In the case of the transfer of part only of a definitive Registered Note, a new definitive Registered Note in respect of the balance of the definitive Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.
- (c) In the event of a partial redemption of Notes under Condition 6(c), the Issuer shall not be required to:
  - (i) register the transfer of any definitive Registered Note, or part of a definitive Registered Note, called for partial redemption; or
  - (ii) exchange any definitive Bearer Note called for partial redemption.
- (d) Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than at the specified office of a Transfer Agent or by regular mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.
- (e) The names of the initial Registrar and other initial Transfer Agents and their initial specified offices in respect of this Series of Notes are set out at the end of these Conditions. The Issuer

reserves the right at any time to vary or terminate the appointment of the Registrar or any other Transfer Agent and to appoint another Registrar or additional or other Transfer Agents. Notice of any termination or appointment and of any changes in specified offices will be given to the holders of the Notes of this Series promptly by the Issuer in accordance with Condition 16.

### **3 Status of the Notes**

The Notes of this Series and the relative Coupons (if any) are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and equally with the Issuer's other present and future unsecured and unsubordinated obligations (except for certain debts that are required to be preferred by applicable law).

Changes to applicable laws may extend the debts required to be preferred by law.

The applicable laws include (but are not limited to) sections 13A and 16 of the Banking Act 1959 of the Commonwealth of Australia (the "Banking Act") and section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia (the "Reserve Bank Act"). These provisions provide that in the event that the Issuer becomes unable to meet its obligations or suspends payment, its assets in Australia are to be available to meet its liabilities to, among others, the Australian Prudential Regulation Authority, the Reserve Bank of Australia and holders of protected accounts held in Australia, in priority to all other liabilities, including the Notes.

The Notes of this Series are not protected accounts or deposit liabilities of the Issuer for the purposes of the Banking Act.

### **4** *[This Condition is no longer applicable]*

### **5 Interest**

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes.

#### **(a) Interest on Fixed Rate Notes**

This Condition 5(a) applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5(a) for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

- (1) Each Fixed Rate Note bears interest from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest specified in the applicable Final Terms.

Interest in respect of Fixed Rate Notes will accrue in respect of each Fixed Interest Period. In these Conditions, "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Fixed Interest Periods shall be adjusted ("Adjusted Fixed Rate Notes") or unadjusted ("Unadjusted Fixed Rate Notes") as specified in the applicable Final Terms. In the case of Adjusted Fixed Rate Notes, a Business Day Convention shall also be specified in the applicable Final Terms and (where applicable) Interest Payment Dates shall be postponed or brought forward, as the case may be, in accordance with Condition 5(c)(ii).

In the case of Unadjusted Fixed Rate Notes, if the Notes are in definitive form and if Fixed Coupon Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount or the Broken Amount (if any) so specified.

Interest will be paid subject to and in accordance with the provisions of Condition 7 (unless otherwise specified in the applicable Final Terms). Interest will cease to accrue on each Fixed Rate Note (or, in the case of the redemption of part only of a Fixed Rate Note, that part only of such Note) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before any judgment) until, but excluding, whichever is the earlier of (A) the day on which all sums due in respect of such Fixed Rate Note up to that day are received by or on behalf of the holder of such Fixed Rate Note and (B) the day which is seven days after the date on which the Principal Paying Agent has notified the holder in accordance with Condition 16 that it has received all sums due in respect thereof up to that date.

- (2) Except in the case of Unadjusted Fixed Rate Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount, is specified in the applicable Final Terms, the Principal Paying Agent will calculate the amount of interest (the “Interest Amount”) payable in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount; and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

The calculation of each Interest Amount by the Principal Paying Agent shall (in the absence of manifest error) be final and binding upon all parties.

In this Condition 5(a), “Day Count Fraction” has the meaning given to it in Condition 5(c).

In these Conditions “sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Notes

This Condition 5(b) applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5(b) for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or

Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

(1) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each period from and including an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date (each such period, a “Floating Interest Period” and, together with a Fixed Interest Period, each an “Interest Period”).

(2) *Interest Payments and Accrual*

Interest will be paid subject to and in accordance with the provisions of Condition 7 (unless otherwise specified in the applicable Final Terms). Interest will cease to accrue on each Floating Rate Note (or, in the case of the redemption of part only of a Floating Rate Note, that part only of such Note) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before any judgement) until, but excluding, whichever is the earlier of (A) the day on which all sums due in respect of such Floating Rate Note up to that day are received by or on behalf of the holder of such Floating Rate Note and (B) the day which is seven days after the date on which the Principal Paying Agent has notified the holder in accordance with Condition 16 that it has received all sums due in respect thereof up to that date.

(3) *Rate of Interest and Interest Amount*

The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined in the manner specified in the applicable Final Terms.

(4) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Floating Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this Condition 5(b)(4), “ISDA Rate” for a Floating Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Principal Paying Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA

Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes, (the “ISDA Definitions”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this Condition 5(b)(4), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

When this Condition 5(b)(4) applies, in respect of each relevant Floating Interest Period:

- (i) the Rate of Interest for such Floating Interest Period will be the rate of interest determined by the Principal Paying Agent or other person specified in the applicable Final Terms in accordance with this Condition 5(b)(4); and
- (ii) the Principal Paying Agent or other person specified in the applicable Final Terms will be deemed to have discharged its obligations under Condition 5(b)(8) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Floating Interest Period in the manner provided in this Condition 5(b)(4).

(5) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Floating Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) (the “Specified Time”) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or other person specified in the applicable Final Terms. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or that other person for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the Specified Time, the Principal Paying Agent, with the assistance of the Issuer if required, shall request

each of the Reference Banks (as defined below) to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.00005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the Reserve Interest Rate. The “Reserve Interest Rate” shall be the rate per annum which the Principal Paying Agent determines to be either (i) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), or (ii) in the event that the Principal Paying Agent can determine no such arithmetic mean, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this Condition 5(b)(5) the expression “Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case as selected by the Principal Paying Agent who may consult the Issuer.

(6) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a minimum Rate of Interest for any Floating Interest Period, then, in the event that the Rate of Interest in respect of any such Floating Interest Period determined in accordance with the above provisions is less than such minimum Rate of Interest, the Rate of Interest for such Floating Interest Period shall be such minimum Rate of Interest. If the applicable Final Terms specifies a maximum Rate of Interest for any Floating Interest Period, then, in the event that the Rate of Interest in respect of any such Floating Interest Period determined in accordance with the above provisions is greater than such maximum Rate of Interest,



the Rate of Interest for such Floating Interest Period shall be the maximum Rate of Interest.

(7) *Business Day, Interest Determination Date and Relevant Screen Page*

- (i) In this Condition, “Business Day” has the meaning given to it in Condition 5(c).
- (ii) In this Condition, “Interest Determination Date” has the meaning set out in the applicable Final Terms.
- (iii) In this Condition, “Relevant Screen Page” has the meaning set out in the applicable Final Terms.

(8) *Determination of Rate of Interest and Calculation of Interest Amount*

The Principal Paying Agent or other person specified in the applicable Final Terms will, as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest payable on the Floating Rate Notes for the relevant Floating Interest Period as soon as practicable after calculating the same.

Unless otherwise specified in the applicable Final Terms, the Interest Amount payable on the Floating Rate Notes for the relevant Floating Interest Period will be calculated by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

The determination of the Rate of Interest and calculation of each Interest Amount by the Principal Paying Agent or other person specified in the applicable Final Terms shall (in the absence of manifest error) be final and binding upon all parties.

(9) *Notification of Rate of Interest and Interest Amount*

The Principal Paying Agent will cause the Rate of Interest and the Interest Amount for each Floating Interest Period and the relevant Interest Payment Date to be notified to the Issuer and, in the case of Floating Rate Notes which are listed on a stock exchange, that stock exchange as soon as possible but in any event not later than the second Business Day after their determination and will cause notice of such information to be given to the holders of the Notes of this Series in accordance with Condition 16 not later than the fourth Business Day after their determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notification as aforesaid in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes affected thereby are for the time being listed.

(10) *Notifications, etc. to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition by the Principal Paying Agent or the Calculation Agent will (in the absence of default, bad faith or manifest error by them or any of their directors, officers, employees or agents) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the Paying Agents and all holders of the Notes of this Series and Coupons relating thereto and (in the absence of any default, bad faith or manifest error as referred to above) no liability to the Issuer or the holders of the Notes of this Series and Coupons relating thereto shall attach to the Principal Paying Agent or the Calculation Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.

(11) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of a Floating Interest Period in the applicable Final Terms, the Rate of Interest for such Floating Interest Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Floating Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Floating Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Designated Maturity” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(c) *Day Count Fraction and Business Day Convention*

(i) *Day Count Fraction*

“Day Count Fraction” means, unless otherwise specified in the applicable Final Terms:

- (1) if “Actual/Actual (ISDA)” is specified in the applicable Final Terms, the actual number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or, if interest is required to be calculated for a period (the “Relevant Period”) other than a full Interest Period, the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the Floating Interest Period, in each case divided by 365 (or, if any portion of the relevant period falls in a leap year, the sum of (A) the actual number of days in that portion of the relevant period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the relevant period falling in a non-leap year divided by 365);
- (2) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the Floating Interest Period, in each case divided by 365;
- (3) *[This Condition is no longer applicable]*

- (4) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the Floating Interest Period, in each case divided by 360;
- (5) if “30/360 (Floating)”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest 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:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls; “M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (6) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the Floating Interest Period, in each case 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:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls; “M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (7) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
- (A) in the case of Notes where the number of days in the Interest Period or the Relevant Period, as the case may be, from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year;

“Determination Period” means the period from (and including) a Determination Date (as specified in the applicable Final Terms) to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

- (8) if “30/360 (Fixed)” or “30/360, unadjusted” is specified in the applicable Final Terms, the number of days in the Interest Period or the Relevant Period, as the case may be, (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.
- (9) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the Floating Interest Period, in each case 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:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls:

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls; “M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D2 will be 30.

(ii) *Business Day Convention*

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then if the Business Day Convention specified is:

- (1) in the case where a Specified Period is specified in accordance with Condition 5(b)(1)(B) above, the Floating Rate Convention, such Interest Payment Date (A) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (b) below shall apply mutatis mutandis or (B) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (a) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (b) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions:

“Business Day” means (unless otherwise stated in the applicable Final Terms):

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and,

- if any Additional Business Centre(s) (other than TARGET2) is specified in the applicable Final Terms, in such Additional Business Centre(s);
- (B) if TARGET2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System ("TARGET2") is open; and
  - (C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which TARGET2 is open.
- (d) Where a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 6(e). As from the Maturity Date any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield. Such interest shall continue to accrue (as well after as before any judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note and (B) the day which is seven days after the date on which the Principal Paying Agent has notified the holder in accordance with Condition 16 that it has received all sums due in respect thereof up to that date. Such interest will be calculated as provided for the relevant calculation to be made in respect of the applicable Day Count Fraction in Condition 6(e).

## **6 Redemption and Purchase**

### **(a) Final Redemption**

Unless previously redeemed or purchased and cancelled as provided below, each Note of this Series will be redeemed at its Final Redemption Amount in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

### **(b) Redemption for Tax Reasons**

Subject to Condition 6(f), the Notes of this Series may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice in accordance with Condition 16 (which notice shall be irrevocable), at the Early Redemption Amount provided in, or calculated in accordance with, paragraph (f) or (g) (as applicable) below, together with (if provided in such paragraphs) interest accrued up to, but excluding, the date fixed for redemption, if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 or (ii) the Issuer becomes obliged to pay approved issuer levy at a rate exceeding the rate of the levy being charged at the date of issue of the Notes as a result of any change in, or amendment to, the laws or regulations of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including the manner of exercising any official discretion thereunder), which change or amendment becomes known generally or to the Issuer on or after the Issue Date (or, in the case of a second or subsequent Tranche of Notes of this Series, the Issue Date for the original Tranche) provided that no such notice of redemption shall be given in respect of the Notes of this Series earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts and, for the purpose only of determining the earliest date on which such notice may be given, it shall be deemed

that a payment, in respect of which the Issuer would be obliged to pay such additional amounts, is due in respect of the Notes of this Series on the day on which any such change or amendment becomes effective.

(c) Redemption at the Option of the Issuer (Issuer Call)

This Condition 6(c) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an “Issuer Call”. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6(c) for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may on any Optional Redemption Date specified in the applicable Final Terms at its option, on giving not less than the period of notice specified in the applicable Final Terms to the holders of the Notes of this Series (which notice shall be irrevocable and shall specify the date fixed for redemption and where any such period of notice is expressed as a specified number of business days, the expression “business day” shall have the meaning given in Condition 7(g)) in accordance with Condition 16, redeem all or from time to time some only of the Notes of this Series then outstanding on the relevant Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together with (in the case of Fixed Rate Notes) interest accrued to, but excluding, the relevant Optional Redemption Date.

In the event of a redemption of some only of such Notes, such redemption must be for an amount being not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount (if any) specified in the applicable Final Terms. In the case of a partial redemption of Notes, Notes to be redeemed will be selected individually by lot (without involving any part only of a Bearer Note) not less than 40 days prior to the date fixed for redemption. In the case of a partial redemption where some or all of the Notes are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, such redemption with respect to those Notes will take place in accordance with the procedures of Euroclear and/or Clearstream, Luxembourg from time to time. Each notice of redemption will specify the date fixed for redemption and, in the case of a partial redemption, the aggregate nominal amount, and, where some or all of the Notes are in definitive form, the serial numbers, of the Notes to be redeemed and, in each case, the aggregate nominal amount of the Notes of this Series which will be outstanding after the partial redemption. In addition, in the case of a partial redemption of a Series of Notes which includes Registered Notes, the Issuer will publish an additional notice of redemption not less than 80 nor more than 95 days before the date fixed for redemption which notice will specify the period during which exchanges or transfers of Notes may not be made as provided in Condition 2.

(d) Redemption at the Option of the Noteholders (Investor Put)

This Condition 6(d) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an “Investor Put”. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 6(d) for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon any Noteholder giving to the Issuer in accordance with Condition 16 not less than the period of notice specified in the applicable Final Terms (the “notice period”), the Issuer will, upon the expiry of such notice redeem in whole (but not in part) the Notes the subject of the notice on the Optional Redemption Date and at the Optional Redemption Amount together with (in the

case of Fixed Rate Notes) interest accrued up to, but excluding, the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form, and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) on any business day (as defined in Condition 7(g)) falling within the notice period a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or from the Registrar (a "Put Notice") and, in the case of a Put Notice in respect of Bearer Notes, in which the holder must specify a bank account outside Australia to which payment is to be made under this Condition. If this Note is in definitive form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

A Put Notice or other notice given by a holder of any Note pursuant to this Condition 6(d), once delivered, shall be irrevocable and the Issuer shall redeem all Notes delivered therewith on the applicable redemption date.

(e) Zero Coupon Notes

- (1) The amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to paragraph (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 11 shall be an amount per Calculation Amount (the "Amortised Face Amount") calculated in accordance with the formula for the Accrual Method specified in the applicable Final Terms:

Linear Accrual: Amortised Face Amount = Reference Amount x (1+ Accrual Yield x y)

Compounding Accrual: Amortised Face Amount = Reference Amount x (1+Accrual Yield)<sup>y</sup>

where:

"Reference Amount" means the amount specified as such in the applicable Final Terms, which is the product of the Issue Price and the Calculation Amount;

"Accrual Yield" means the rate specified as such in the applicable Final Terms; and

"y" is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (Fixed) or 30/360 unadjusted (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual



number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (Fixed) (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

- (2) If the amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to paragraph (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Note shall be the amount calculated as provided in Condition 6(e)(1) above as though the references therein to the date fixed for the redemption or the date upon which such Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the date on which the full amount of the moneys payable in respect of such Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 16.

(f) **Early Redemption Amounts**

For the purposes of paragraph (b) above and Condition 11, unless otherwise indicated in the applicable Final Terms, Notes will be redeemed at their Early Redemption Amount, being (1) in the case of Fixed Rate Notes or Floating Rate Notes the Final Redemption Amount or (2) in the case of Zero Coupon Notes at the Amortised Face Amount of such Notes determined in accordance with paragraph (e) above, in each case in the relevant Specified Currency together with, in the case of Fixed Rate Notes redeemed pursuant to paragraph (b) above, interest accrued to, but excluding, the date fixed for redemption.

(g) **Purchase and Cancellation**

The Issuer may at any time purchase Notes of this Series (provided that all unmatured Coupons appertaining to such Notes, if in definitive bearer form, are attached thereto or surrendered therewith) in any manner and at any price.

All Notes of this Series together, in the case of definitive Notes in bearer form, with all unmatured Coupons appertaining thereto, purchased by or on behalf of the Issuer (other than those purchased in the ordinary course of the business of dealing in securities) will be cancelled forthwith.

## **7 Payments and Exchange of Talons**

(a) **Payments in respect of definitive Bearer Notes**

- (1) Payments of principal and interest (if any) in respect of definitive Bearer Notes (if issued) will (subject as provided below) be made against surrender (or, in the case of part payment only, presentation and endorsement) of definitive Bearer Notes or Coupons (which expression, in this Condition and Condition 10, shall not include Talons), as the case may be, at any specified office of any Paying Agent outside Australia.
- (2) All payments of principal and interest with respect to definitive Bearer Notes will be made outside Australia and (except as otherwise provided in paragraph (d) below) the United States. Payments in any currency other than euro in respect of definitive Bearer Notes will (subject as provided below) be made by transfer to an account (in the case of payment in Yen to a non-resident of Japan, a non-resident account) in the

Specified Currency maintained by the payee with a bank in the principal financial centre of the country of the Specified Currency (or, if the Specified Currency is Australian dollars or U.S. dollars, in London or another place outside Australia and (except as otherwise provided in paragraph (d) below) the United States) provided that if at any time such payments cannot be so made, then payments will be made outside Australia and (except as otherwise provided in paragraph (d) below) the United States in such other manner as the Issuer may determine and notify in accordance with Condition 16. Payments in euro in respect of definitive Bearer Notes will be made by transfer to a euro account outside Australia and (except as otherwise provided in paragraph (d) below) the United States (or any other account outside Australia and (except as otherwise provided in paragraph (d) below) the United States to which euro may be transferred) specified by the payee.

(b) Payments in respect of Registered Notes

Payments of principal in respect of Registered Notes (whether or not in global form) will (subject as provided in this Condition) be made against presentation and surrender of such Registered Notes at the specified office outside Australia of the Registrar by a cheque in the Specified Currency drawn on a bank in the principal financial centre of the country of the Specified Currency. Payments of interest in respect of Registered Notes will (subject as provided in this Condition) be made by a cheque in the Specified Currency drawn on a bank in the principal financial centre of the country of the Specified Currency and posted on the business day in the city in which the Registrar has its specified office immediately preceding the relevant due date to the holder (or to the first named of joint holders) of the Registered Note appearing on the register of holders of the Registered Notes maintained by the Registrar (the "Register") (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "Record Date") at his address shown on the register on the Record Date. Upon application of the holder to the specified office of the Registrar not less than three business days in the city in which the Registrar has its specified office before the due date for any payment in respect of a Registered Note, the payment of principal and/or interest may be made (in the case of payment of principal against presentation and surrender of the relevant Registered Note as provided above) by transfer on the due date to an account in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of the Specified Currency subject to the provisions of the following two sentences. If the Specified Currency is Australian dollars, payment will be made (in the case of a transfer to a bank account) by transfer to an account in London or another place outside Australia and, if the Specified Currency is Yen, payment will be made (in the case of payment to a non-resident of Japan) by cheque drawn on, or by transfer to a non-resident account. If the Specified Currency is euro, payment will be made in euro to a euro account outside Australia (or any other account outside Australia to which euro may be credited or transferred, as the case may be), specified by the payee.

(c) Payments in respect of global Bearer Notes

- (1) Payments of principal and interest (if any) in respect of Notes represented by any global Bearer Note will (subject as provided below) be made in the manner specified in the relevant global Note against presentation and endorsement or surrender, as the case may be, of such global Note at the specified office of any Paying Agent outside Australia. A record of each payment made on such global Note, distinguishing between any payment of principal and interest, will be made on such global Note by the Paying Agent to which such global Note is presented for the purpose of making

such payment, and such record shall (save in the case of manifest error) be conclusive evidence that the payment in question has been made.

- (2) The holder of a global Bearer Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant global Note. Subject to Condition 12, no person other than the holder of a global Bearer Note shall have any claim against the Issuer in respect of any payments due on that global Note.

(d) Payments of interest in U.S. dollars in respect of Bearer Notes

Notwithstanding the foregoing, payments of interest in U.S. dollars in respect of Bearer Notes will only be made at the specified office of any Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and District of Columbia and its possessions)) (1) if (A) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of interest on the Bearer Notes in the manner provided above when due, (B) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (C) such payment is then permitted under United States law and (2) at the option of the relevant holder if such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) Payments subject to applicable laws

Payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") (or any regulations thereunder or any official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) (collectively referred to as "FATCA"), and any such amounts withheld or deducted will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on or in respect of the Notes with respect to any such withholding or deduction.

(f) Unmatured Coupons and Talons

- (1) Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined in subparagraph (2)) and save as provided in Condition 7(e)) should be presented for redemption together with all unmaturing Coupons (which expression shall include Coupons falling to be issued on exchange of Talons which will have matured on or before the relevant redemption date) appertaining thereto, failing which, the amounts of any missing unmaturing Coupons (or, in the case of payment of principal not being made in full, that proportion of the aggregate amount of such missing unmaturing Coupons that the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupons at any time in the period expiring 10 years after the Relevant Date (as defined in Condition 9) for the payment of such principal, whether or not such Coupon would otherwise have become void pursuant to

Condition 10 or, if later, five years from the due date for payment of such Coupon. Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmaturing Talons (if any) appertaining thereto will become void and no further Coupons in respect of any such Talons will be made or issued, as the case may be.

- (2) Upon the due date for redemption of any Floating Rate Note or Long Maturity Note in definitive bearer form, any unmaturing Coupons or Talons relating to such Note (whether or not attached) shall become void and no payment or exchange, as the case may be, shall be made in respect of them. Where any such Note is presented for redemption without all unmaturing Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require. A Long Maturity Note is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Fixed Interest Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

(g) Payments due on non-business days

If any date for payment of principal, interest or any other payment in respect of any Bearer Note or Coupon is not a business day, then the holder thereof shall not be entitled to payment at the place of presentation of the amount due until either (A) if the Payment Business Day Convention is specified as Following Business Day Convention in the applicable Final Terms, the next following business day or (B) if the Payment Business Day Convention is specified as Modified Following Business Day Convention in the applicable Final Terms, the next day which is a business day unless it would thereby fall into the next calendar month, in which event the holder shall be entitled to such payment at the place of presentation on the immediately preceding business day (in each case, unless otherwise specified in the applicable Final Terms) and shall not be entitled to any interest or other sum in respect of any such postponed payment.

If any date for payment of principal, interest or any other amount in respect of any Registered Note is not a business day, then the holder thereof shall not be entitled to payment, in the case of principal, at the place of presentation or, in the case of interest or any other amount, by transfer to an account specified by the holder until either (A) if Following Business Day Convention is specified in the applicable Final Terms, the next following business day or (B) if Modified Following Business Day Convention is specified in the applicable Final Terms, the next day which is a business day unless it would thereby fall into the next calendar month, in which event the holder shall be entitled to payment at the place of presentation or to such account as applicable on the immediately preceding business day (in each case, unless otherwise specified in the applicable Final Terms) and shall not be entitled to any interest or other sum in respect of any such postponed payment.

In this Condition “business day” means, subject as provided in the applicable Final Terms:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) in the case of Notes in definitive form only, the relevant place of presentation;
  - (B) any Additional Financial Centre (other than TARGET2) specified in the applicable Final Terms; and
  - (C) if TARGET2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which TARGET2 is open, and

- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which TARGET2 is open.
- (h) **Payment of accrued interest**

If the due date for redemption of any interest bearing Bearer Note in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such Note from, and including, the last preceding due date for the payment of interest (or, if none, from the Interest Commencement Date) will be paid only against surrender (or, in the case of part payment, presentation and endorsement) of such Note.
- (i) **Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Paying Agent in Luxembourg (or any other Paying Agent notified by the Issuer to the Noteholders in accordance with Condition 16 for the purposes of this paragraph) in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due in respect of the Bearer Note in definitive form to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the Coupon sheet in which that Talon was included on issue matures.
- (j) **Initial Paying Agents**

The initial Principal Paying Agent and the other initial Paying Agents in respect of this Series of Notes are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer may at any time vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that it will, so long as any of the Notes of this Series is outstanding, maintain:

  - (i) a Principal Paying Agent,
  - (ii) a Paying Agent (which may be the Principal Paying Agent) having a specified office in a leading financial centre in Europe, and
  - (iii) so long as any Notes of this Series are admitted to the official list of the UK Listing Authority and to trading on the London Stock Exchange plc's market for listed securities or on another stock exchange, a Paying Agent (which may be the Principal Paying Agent) having a specified office in London or other place as may be required by that stock exchange.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in paragraph (d) of this Condition. Notice of any variation, termination or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 16.

- (k) All payments in respect of the Notes in RMB will be made solely by credit to a RMB account maintained by the payee at a bank in Hong Kong or such other financial centre(s) as may be specified in the applicable Final Terms as RMB Settlement Centre(s) in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of RMB in Hong Kong or any relevant RMB Settlement Centre(s)).

(l) RMB Currency Event

If “RMB Currency Event” is specified in the applicable Final Terms and a RMB Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any amount in respect of any Note or Coupon, the Issuer’s obligation to make a payment in RMB under the terms of the Notes may be replaced by an obligation to pay such amount in the Relevant Currency converted using the Spot Rate for the relevant Rate Calculation Date.

Upon the occurrence of a RMB Currency Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 16 stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

For the purpose of this Condition 7(l) and unless stated otherwise in the applicable Final Terms: “Governmental Authority” means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

“Rate Calculation Business Day” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Sydney, Hong Kong, London and New York City;

“Rate Calculation Date” means the day which is two Rate Calculation Business Days before the due date of the relevant payment under the Notes;

“Relevant Currency” means U.S. dollars or such other currency as may be specified in the applicable Final Terms;

“RMB Currency Events” means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

“RMB Illiquidity” means the general RMB exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient RMB in order to make a payment under the Notes, as determined by the Issuer in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active on the RMB exchange market in Hong Kong;

“RMB Inconvertibility” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into RMB on any payment date at the general RMB exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond the control of the Issuer, to comply with such law, rule or regulation);

“RMB Non-Transferability” means the occurrence of any event that makes it impossible for the Issuer to deliver RMB between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is

enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer due to an event beyond its control, to comply with such law, rule or regulation);

“Spot Rate” means, unless specified otherwise in the applicable Final Terms, the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter RMB exchange market in Hong Kong for settlement in two Rate Calculation Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the RMB non-deliverable exchange market in Hong Kong or elsewhere and the CNY/U.S. dollar exchange rate in the PRC domestic foreign exchange market.

8 [This Condition is no longer applicable]

## 9 **Taxation**

All payments of, or in respect of, principal and interest on the Notes of this Series by or on behalf of the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“Taxes”) imposed or levied by or on behalf of any Taxing Jurisdiction unless such Taxes are required by law to be withheld or deducted. In that event, the Issuer will pay such additional amounts of, or in respect of, principal and/or interest as will result (after deduction of the Taxes) in payment to the holders of the Notes of this Series and/or the Coupons relating thereto of the amounts which would otherwise have been payable in respect of the Notes of this Series or, as the case may be, Coupons relating thereto, except that no such additional amounts shall be payable with respect to any Note of this Series or Coupon relating thereto presented for payment:

- (a) by or on behalf of a holder who is subject to such Taxes in respect of such Note or Coupon by reason of his being connected with a Taxing Jurisdiction other than by reason only of the holding of the Note or Coupon or the receipt of payment thereon;
- (b) by or on behalf of a holder who is an associate (as that term is defined in section 128F of the Income Tax Assessment Act 1936 of the Commonwealth of Australia (the “Australian Tax Act”)) of the Issuer and the payment being sought is not, or will not be, exempt from interest withholding tax because of section 128F(6) of the Australian Tax Act;
- (c) more than 30 days after the Relevant Date, except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the last day of such period of 30 days; or
- (d) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying with any statutory requirements in force at the present time or in the future or by making a declaration of non-residence or other claim or filing for exemption.

For the avoidance of doubt, in no event will the Issuer, Paying Agent or any other person be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to FATCA.

The “Relevant Date” in relation to any Note or Coupon of this Series means whichever is the later of:

- (i) the date on which payment in respect of such Note or Coupon first becomes due and payable; or
- (ii) if the full amount of the moneys payable in respect of such Note or Coupon has not been duly received by the Principal Paying Agent on or prior to such date, the date on which notice is duly given to the Noteholders of this Series in accordance with Condition 16 that such moneys have been so received.

The “Taxing Jurisdiction” in relation to any Note or Coupon of this Series means the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax.

References in these Conditions to principal and interest shall be deemed also to refer (as appropriate) (i) to any additional amounts which may be payable under this Condition 9, (ii) in relation to Zero Coupon Notes, to the Amortised Face Amount and (iii) to any premium which may be payable in respect of the Notes.

## **10 Prescription**

Claims for payment of principal under the Notes (whether in bearer or registered form) shall be prescribed upon the expiry of 10 years, and claims for payment of interest (if any) in respect of the Notes (whether in bearer or registered form) shall be prescribed upon the expiry of five years, in each case from the Relevant Date (as defined in Condition 9) therefor subject to the provisions of Condition 7. There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.

## **11 Events of Default**

If any one or more of the following events (each an “Event of Default”) shall occur and be continuing:

- (a) the Issuer fails to pay the principal of the Notes of this Series when due or fails to pay any interest due thereon within 14 days of the due date; or
- (b) the Issuer defaults in performance or observance of or compliance with any of its other undertakings set out in the Notes of this Series which default is incapable of remedy or which, if capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer by a Noteholder; or
- (c) *[This paragraph is no longer applicable];*
- (d) the Issuer becomes insolvent or it is unable to pay its debts as they mature or the Issuer applies for or consents to or suffers the appointment of a liquidator or receiver of the Issuer or the whole or any part of the undertaking, property, assets or revenues of the Issuer or takes any proceeding under any law for a readjustment or deferment of its obligations or any part thereof or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors; or
- (e) any law is passed the effect of which is to dissolve the Issuer or the Issuer ceases to carry on a general banking business in the Commonwealth of Australia or the Issuer ceases to be authorised to carry on a general banking business within the Commonwealth of Australia,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at the amount provided in, or calculated in accordance with, Condition 6(f), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

Notwithstanding any other provision of this Condition 11, no Event of Default in respect of the Notes shall occur solely on account of any failure by the Issuer to perform or observe any of its obligations in relation to, or the taking of any proceeding or the making or entering into of any assignment, arrangement or composition in respect of, any share, note or other security or instrument constituting Tier 1 Capital or Tier 2 Capital (each as defined by the Australian Prudential Regulation Authority from time to time).



12 [This Condition is no longer applicable].

13 **Meetings of Noteholders; Modifications of Conditions; Waiver**

The Agency Agreement contains provisions for convening meetings of holders of the Notes of this Series to consider any matters affecting their interests, including modifications of the terms and conditions of the Notes of this Series and the Agency Agreement. Any such modification must be authorised by an Extraordinary Resolution which is defined in the Agency Agreement to mean a resolution passed by a majority consisting of not less than three-quarters of the votes cast at a meeting of the holders of the Notes of this Series duly convened and held. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in nominal amount of the Notes of this Series for the time being outstanding or, at any adjourned meeting, one or more persons being or representing the holders of the Notes of this Series whatever the nominal amount of Notes of this Series so held or represented; provided that at any meeting the business of which includes the modification of certain terms, including any reduction or cancellation of, or modification of the method of calculating, the amount payable in respect of the Notes of this Series, any modification of, or of the method of calculating, the date of payment of principal or interest in respect of the Notes of this Series or any modification of the currency of payment of the Notes of this Series or the Coupons relating thereto, the quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting, not less than one-third, in nominal amount of Notes of this Series for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than 75 per cent. of the votes cast on such resolution, or (ii) a resolution in writing signed by or on behalf of all the holders of the Notes, shall, in each case, be effective as an Extraordinary Resolution of the holders of the Notes. A resolution duly passed by the holders of the Notes of this Series will be binding on all the holders of the Notes of this Series (whether present at any meeting and whether or not they voted on the resolution) and on all the holders of Coupons relating thereto.

The Principal Paying Agent and the Issuer may agree without the consent of the holders of the Notes of this Series or the holders of Coupons relating thereto to any modifications to the terms and conditions of the Notes of this Series or the Coupons relating thereto or to the provisions of the Agency Agreement which in the opinion of the Issuer are of a formal, minor or technical nature, are made to correct a manifest error or (not being such a modification as is mentioned in the proviso to the third sentence of the preceding paragraph) are not prejudicial to the interests of the holders of the Notes of this Series.

14 **Substitution**

- (1) The Issuer may, without the consent or sanction of the Noteholders, the Couponholders, the Talonholders, agree to the substitution in place of the Issuer as the principal debtor under the Notes of any other corporation (hereinafter in this Condition referred to as the “Substituted Company”) provided that:
  - (i) a deed poll and such other documents (if any) shall be executed by the Issuer and the Substituted Company as may be necessary to give full effect to the substitution (together, the “Documents”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Company shall undertake in favour of each Noteholder, Couponholder and Talonholder to be bound by these Conditions and the provisions of the Agency Agreement and the Deed of Covenant as if the Substituted Company had been named in the Notes, the Agency Agreement and the Deed of Covenant as the principal debtor in respect of the Notes in place of the Issuer (or any previous substitute);
  - (ii) any applicable solicited credit rating of the Substituted Company is the same or higher than any such rating of the Issuer immediately prior to the substitution;

- (iii) each stock exchange or market on which the Notes are listed shall have confirmed in writing that following the proposed substitution of the Substituted Company the Notes will continue to be listed on such stock exchange or market;
- (iv) (without prejudice to the generality of paragraphs (1)(i) and (ii) of this Condition) where the Substituted Company is incorporated, domiciled or resident in a territory other than the Commonwealth of Australia, an undertaking or covenant shall be given by the Substituted Company in terms corresponding to the provisions of Condition 9 with the addition to or substitution for the references to the Commonwealth of Australia or any political sub-division thereof or authority thereof or therein having power to tax of references to that other territory or any political sub-division thereof or any authority thereof or therein having power to tax in which the Substituted Company is incorporated, domiciled or resident and Condition 6(b) shall be modified so that references to such latter territory are added to or substituted for the Commonwealth of Australia;
- (v) the Documents shall contain a warranty and representation by the Substituted Company that (A) the Substituted Company has obtained all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Company of liability as principal debtor in respect of, and of its obligations under, the Documents and the Notes; (B) such approvals and consents are at the time of substitution in full force and effect; and (C) the obligations assumed by the Substituted Company under the Documents are legal, valid and binding in accordance with their respective terms;
- (vi) the Issuer shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer and the Substituted Company from a leading firm of lawyers in the country of incorporation of the Substituted Company to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Company, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Company for the Issuer and to be available for inspection by Noteholders, Couponholders, and Talonholders at the specified offices of the Principal Paying Agent and the relevant Registrar;
- (vii) the Issuer shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer and the Substituted Company from a leading firm of Australian lawyers to the effect that the Documents constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Company for the Issuer and to be available for inspection by Noteholders, Couponholders and Talonholders at the specified offices of the Principal Paying Agent and the relevant Registrar;
- (viii) the Issuer shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer and the Substituted Company from a leading firm of English lawyers to the effect that the Documents constitute legal, valid and binding obligations of the parties thereto under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Company for the Issuer and to be available for inspection by Noteholders, Couponholders and Talonholders at the specified offices of the Principal Paying Agent and the relevant Registrar; and
- (ix) if the Substituted Company is incorporated in a jurisdiction other than England and Wales, the Substituted Company shall have appointed a process agent in England to

receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes or the Documents.

- (2) Upon the execution of the Documents and compliance with the requirements referred to in paragraph (1) of this Condition, the Substituted Company shall be deemed thenceforth to be named in the Notes as principal debtor in place of the Issuer (or of any previous substitute under these provisions), and the Notes shall thereupon be deemed to be amended in such manner as shall be necessary to give effect thereto. The execution of the Documents and compliance with such requirements shall operate to release the Issuer (or such previous substitute as aforesaid) from all of its obligations in respect of the Notes.
- (3) The Documents shall be deposited with and held by the Principal Paying Agent and the Registrar for so long as any Note remains outstanding and for so long as any claim made against the Substituted Company by any Noteholder, Couponholder or Talonholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Company shall acknowledge in the Documents the right of every Noteholder, Couponholder and Talonholder to the production of the Documents for the enforcement of any of the Notes or the Documents.
- (4) Not later than 14 days after the execution of the Documents and compliance with the requirements referred to in paragraph (1) of this Condition, the Substituted Company shall give notice thereof to the Noteholders in accordance with Condition 16.

## **15 Replacement of Notes and Coupons**

If any Note (including a global Note) or Coupon is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the specified office of the Principal Paying Agent on payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacement Notes or Coupons will be issued.

## **16 Notices**

- (a) All notices regarding Registered Notes of this Series (if any) will be valid if mailed to the holders (or the first named of joint holders) at their respective addresses in the register of holders and will be deemed to have been given on the fourth weekday after the date of mailing.
- (b) All notices regarding the Bearer Notes of this Series (if any) will be valid if published in one leading London daily newspaper (which is expected to be the Financial Times) or, if this is not practicable, one other English language daily newspaper with general circulation in Europe and shall, if published more than once, be deemed to be given on the date of the first such publication. Holders of Coupons appertaining to Bearer Notes in definitive form of this Series will be deemed for all purposes to have notice of the contents of any notice given to the holders of the Bearer Notes of this Series in accordance with this paragraph (b).
- (c) Until such time as any definitive Notes are issued, there may, so long as all the global Notes for this Series are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted, in relation only to this Series, for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as appropriate, for communication by it or them to the holders of the Notes of this Series. Any such notice shall be deemed to have been given to the holders of the Notes of this Series on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as the case may be.
- (d) Notwithstanding paragraph (b) of this Condition 16, in any case where the identity and addresses of all the holders of Bearer Notes in definitive form is known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

- (e) Notices to be given to the Issuer by any holder of Notes under Condition 6(d) shall be in writing and given by lodging the same, together with the relative definitive Note or Notes, with the Principal Paying Agent (in the case of definitive Bearer Notes) or the Registrar (in the case of definitive Registered Notes). Whilst any Notes are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, such notices may be given by a holder of any Notes so represented to the Principal Paying Agent or the Registrar via Euroclear and/ or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent or the Registrar, as the case may be, and Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

## **17 Further Issues**

The Issuer shall be at liberty from time to time without the consent of the holders of the Notes of this Series or the Coupons (if any) relating thereto to create and issue further Notes ranking *pari passu* in all respects (or in all respects save for the Issue Date or Interest Commencement Date, as the case may be, the Issue Price and the amount of the first payment of interest (if any) on such further Notes) and so that the same shall be consolidated and form a single series with the outstanding Notes of a particular Series (including the Notes of this Series).

## **18 Disapplication of Contracts (Rights of Third Parties) Act 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of any Note but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **19 Governing Law**

The Notes of this Series, Coupons and Talons (if any) relating thereto, the Agency Agreement, the Deed of Covenant and any non-contractual obligations arising out of or in connection with the Notes of this Series, Coupons and Talons (if any) relating thereto, the Agency Agreement and the Deed of Covenant are governed by, and will be construed in accordance with, English law.

The courts of each of England and the Commonwealth of Australia are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes of this Series and Coupons and Talons relating thereto, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes of this Series and Coupons and Talons relating thereto and accordingly any legal action or proceedings arising out of or in connection with the Notes of this Series and Coupons and Talons relating thereto and any non-contractual obligations arising out of or in connection with the Notes of this Series and Coupons and Talons relating thereto may be brought in such courts.

The Issuer has appointed the General Manager, Europe from time to time of the Issuer located at its London branch (currently at 1 New Ludgate, 60 Ludgate Hill, London EC4M 7AW, United Kingdom) to receive service of process in any action which may be instituted in England based on any of such Notes, Coupons or Talons (including any action relating to any non-contractual obligations arising out of or in connection with any of such Notes, Coupons or Talons).

## **20 CMU Notes**

Where the Notes are CMU Notes, these Conditions shall be modified as specified in this Condition 20 and to the extent any provision of these Conditions is otherwise inconsistent with the terms of this Condition 20 it shall be deemed to have been modified accordingly.

References in these Conditions to the Principal Paying Agent, the Registrar, a Paying Agent and a Transfer Agent shall, unless the context otherwise requires, be construed as a reference to the CMU lodging and paying agent appointed in relation to the CMU Notes as specified in the applicable Final Terms (the “CMU Lodging and Paying Agent”).

References in these Conditions to Euroclear and Clearstream, Luxembourg shall, unless the context otherwise requires, be construed as a reference to the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “CMU Service”).

In this Condition “CMU Notes” means Notes denominated in any currency which the CMU Service accepts for settlement from time to time that are, or are intended to be, initially cleared through the CMU Service.

#### *Payments*

If a Note is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the rules of the CMU Service (the “CMU Rules”) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report (as defined in the CMU Rules) or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) (the “CMU Accountholders”).

The CMU Accountholders at the direction of the bearer or the registered holder of a Note held through the CMU Service shall be the only persons entitled to receive payments in respect of such Note and the Issuer will be discharged by payment to, or to the order of, such CMU Accountholder, in respect of each amount so paid. Each of the persons shown in the records of the CMU Service as the beneficial holder of a particular nominal amount of CMU Notes must look solely to the CMU Service for its share of each payment so made by the Issuer to the order of the bearer or the registered holder of such Note.

## **Use of Proceeds**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## **Commonwealth Bank of Australia**

### **Summary Information**

Commonwealth Bank of Australia is a public company with an ordinary share capital of A\$34,455 million at 31 December 2016. The Bank is governed by, and operates in accordance with, its Constitution, the Corporations Act and the Listing Rules of the Australian Securities Exchange (which constitute the corporate governance regime of Australia), and certain provisions of the Commonwealth Banks Act 1959 of the Commonwealth of Australia (the “1959 Act”). The objectives of the Issuer include providing integrated financial services including retail, business and institutional banking, superannuation, life insurance, general insurance, funds management, broking services and finance company activities. The Bank was incorporated as a public company on 17 April 1991 in the Australian Capital Territory and has Australian Business Number 48 123 123 124. Its registered office is Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia, 2000, telephone number +61 2 9118 1339. The Bank and its subsidiaries together provide a wide range of banking, financial and related services in Australia.

At 31 December 2016, the Bank and its controlled entities had total assets of A\$971,719 million, deposits and other public borrowings of A\$606,091 million and total regulatory capital of A\$59,591 million. Net profit after income tax (statutory basis), for the half year ended 31 December 2016, was A\$4,895 million.

As at the date of this Programme Circular, the Bank has been rated AA- by S&P, Aa3 by Moody’s and AA- by Fitch.

### **History and Recent Developments**

Commonwealth Bank of Australia was established in 1911 by a Commonwealth Act of Parliament to conduct commercial and savings banking business. Its functions were later expanded to encompass those of a central bank. Subsequent legislative amendment in 1959 created a separate Reserve Bank of Australia to take over the central bank functions.

In December 1990, the Commonwealth Banks Restructuring Act 1990 was passed, which provided for:

- the conversion of the Bank into a public company with a share capital, governed by its then Memorandum and Articles of Association but subject to certain overriding provisions of the 1959 Act – this conversion occurred on 17 April 1991;
- Commonwealth Bank of Australia to become the successor in law of the State Bank of Victoria – this occurred on 1 January 1991; and
- the issue of shares in the Bank to the Australian public.

The Bank was fully privatised in three stages from July 1991 to July 1996.

An offer of just under 30 per cent of the issued shares in the Bank was made to members of the Australian public and staff of the Bank in July 1991, to strengthen the Bank’s capital base following its acquisition of State Bank of Victoria and to provide a sound foundation for further development of the Bank’s business. The offer closed on 14 August 1991 and was fully subscribed.

In October 1993, the Australian Government sold a portion of the Commonwealth of Australia’s shareholding in the Bank, reducing its shareholding to 50.4 per cent of the total number of issued voting shares.

In June/July 1996, the Australian Government made a public offer of its remaining 50.4 per cent shareholding in the Bank. The offer was fully subscribed. In conjunction with this offer, the Bank, pursuant to a buy-back Agreement between the Bank and the Commonwealth of Australia, agreed to buy back 100 million shares in the Bank from the Commonwealth of Australia. The public offer and buy-back were effected on 22 July 1996.

On 13 June 2000, the Bank and Colonial Limited completed their merger.

On 22 August 2000, the Bank purchased the 25 per cent non-controlling interest in ASB Holdings Limited (formerly known as ASB Group Limited) in New Zealand for NZD560 million (A\$430 million), giving the Bank a 100 per cent interest in ASB Bank Limited and its subsidiaries (the “ASB Group”).

The Bank became the successor in law to the State Bank of New South Wales (known as Colonial State Bank) and to all the assets and liabilities of State Bank of New South Wales effective on 4 June 2001 pursuant to legislation passed by the State of New South Wales.

On 19 December 2008, the Bank acquired 100 per cent of Bank of Western Australia Ltd (“Bankwest”) from HBOS plc.

In relation to the Commonwealth of Australia’s statutory guarantee of the Bank’s liabilities, transitional arrangements for the phasing out of that guarantee commenced on 19 July 1996.

Under these arrangements, section 117(1) of the 1959 Act provided for the Commonwealth of Australia to guarantee the due payment of the following amounts:

- (i) any amount that was payable by the Bank before the end of the day on 19 July 1999 in respect of a demand deposit made with the Bank;
- (ii) any amount that is payable by the Bank at any time in respect of a term deposit made with the Bank before the end of the day on 19 July 1999; and
- (iii) any amount that:
  - (a) is not in respect of a demand deposit or a term deposit; and
  - (b) is payable by the Bank under a contract that was entered into, or any other instrument that was executed, issued, endorsed or accepted before 7.00 a.m. (Sydney time) on 19 July 1996 by the Bank.

Accordingly, Notes issued from the date of this Programme Circular are not guaranteed on a statutory basis by the Commonwealth of Australia.

## **Business Overview**

The Bank, with a full-time equivalent staff of 45,271 at 31 December 2016, provides a comprehensive range of integrated financial services, including retail banking, premium banking, business banking, institutional banking, funds management, superannuation, insurance investment and share broking products and services, primarily in Australia and New Zealand. It also has operations throughout Asia, and in the United Kingdom, Malta and the United States. The fact that as at 30 April 2017, the Bank was Australia’s largest bank in terms of housing loans and retail (household) deposits is sourced from APRA monthly Banking Statistics April 2017 (issued 31 May 2017) (Tables 2 and 4). The Bank confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by APRA, no facts have been omitted which would render the reproduced information inaccurate or misleading.

On 13 June 2000, the Bank acquired 100 per cent of Colonial, significantly increasing its wealth management capabilities. The Bank conducts its operations primarily through the following business units:

### *Retail Banking Services*

Retail Banking Services provides home loan, consumer finance and retail deposit products and servicing to all retail bank customers and non-relationship managed small business customers. In addition, commission is received for the distribution of Wealth Management products through the retail distribution network.

### *Business and Private Banking*

Business and Private Banking provides specialised banking services to relationship managed business and Agribusiness customers, private banking to high net worth individuals and margin lending and trading through CommSec.

### *Institutional Banking and Markets*

Institutional Banking and Markets services the Bank’s major corporate, institutional and government clients using a relationship management model based on industry expertise and insights. The client offering includes debt raising, financial and commodities price risk management and transactional banking capabilities.



Institutional Banking and Markets has international operations in London, New York, Houston, Japan, Singapore, Malta, Hong Kong, New Zealand, Beijing and Shanghai.

#### *Wealth Management*

Wealth Management includes Global Asset Management (including operations in Asia and Europe), Platform Administration and Financial Advice and Life and General Insurance businesses of the Australian operations.

#### *New Zealand*

New Zealand includes the Banking, Funds Management and Insurance businesses operating in New Zealand (excluding Institutional Banking and Markets).

#### *Bankwest*

Bankwest is active in all domestic market segments, with lending diversified between the business, rural, housing and personal markets, including a full range of deposit products.

#### *International Financial Services and Other Divisions*

The International Financial Services incorporates the Asian retail and business banking operations (Indonesia, China, India and Vietnam), associate investments in two Chinese banks and one Vietnamese bank, a Chinese life insurance business, the life insurance operations in Indonesia and a financial services technology business in South Africa. It does not include the Business and Private Banking, Institutional Banking and Markets and Colonial First State Global Asset Management businesses in Asia.

#### *Other Divisions*

The Corporate Centre includes the results of unallocated Bank support functions such as Investor Relations, Group Strategy, Secretariat and Treasury. Group wide–Eliminations/Unallocated includes intra-group elimination entries arising on consolidation, centrally raised provisions and other unallocated revenue and expenses.

## Financial Condition and Operating Results

The following tables set out certain consolidated summary financial data relating to the Bank. This data has been extracted without material adjustment from the published consolidated financial statements of the Bank for the financial years ended 30 June 2016 and 30 June 2015 and the half years ended 31 December 2016 and 31 December 2015. The figures for the financial year ended 30 June 2016 have been restated as appropriate in the published consolidated financial statements for the period ended 31 December 2016 to conform to the presentation in the current period.

	<i>As at 30 June</i>	
	<i>2016</i>	<i>2015</i>
	<i>(in millions A\$)</i>	
<b>Balance Sheet</b>		
Lending assets <sup>(1)</sup>	696,829	641,206
Total assets	933,001	873,446
Deposits and other public borrowings	588,045	543,231
Shareholders' equity attributable to Equity holders of the Bank	60,014	52,431
<b>Income Statement</b>		
Net interest income	16,935	15,823
Other operating income <sup>(2)</sup>	7,643	7,845
Loan impairment expense	(1,256)	(988)
Operating expenses	(10,473)	(10,068)
Net profit before income tax	12,849	12,612
Income tax	(3,606)	(3,528)
Net profit after income tax	9,243	9,084
Non-controlling interests	(20)	(21)
Net profit attributable to Equity holders of the Bank	9,223	9,063

	<i>As at half year ended 31 December</i>	
	<i>2016</i>	<i>2015</i>
	<i>(in millions A\$)</i>	
<b>Balance Sheet</b>		
Lending assets <sup>(1)</sup>	714,345	670,803
Total assets	971,719	902,991
Deposits and other public borrowings	606,091	560,498
Shareholders' equity attributable to Equity holders of the Bank	61,261	59,110
<b>Income Statement</b>		
Net interest income	8,741	8,426
Other operating income <sup>(2)</sup>	4,367	3,780

Loan impairment expense	(599)	(564)
Operating expenses	<u>(5,679)</u>	<u>(5,247)</u>
Net profit before income tax	6,830	6,395
Income tax	<u>(1,926)</u>	<u>(1,761)</u>
Net profit after income tax	4,904	4,634
Non-controlling interests	<u>(9)</u>	<u>(11)</u>
Net profit attributable to Equity holders of the Bank	<u><u>4,895</u></u>	<u><u>4,623</u></u>

Notes:

- (1) Includes loans, bills discounted, other receivables and bank acceptances of customers.  
(2) Includes other banking income, net funds management and net insurance operating income.

## **Audit Committee**

The Audit Committee of the Bank consists of Brian J Long (Chairman), Harrison H Young, Sir John Anderson, Launa K Inman, Shirish Apte and Catherine Livingstone (who was appointed to the Audit Committee on 15 March 2016).

The charter of the Audit Committee incorporates practices to ensure that the Committee is independent and effective, including the following:

- (a) the Audit Committee comprises at least three members. All members must be non-executive, independent directors and financially literate. Members should, between them, have the accounting and financial expertise and sufficient understanding of the financial services industry to be able to discharge the Committee's mandate effectively;
- (b) the chairman of the Audit Committee may not be the Chairman of the Board. The Risk Committee Chairman will be a member of the Audit Committee and vice-versa to ensure the flow of relevant information between the two committees;
- (c) meetings will be at least quarterly, and as required to undertake its role effectively. The external auditor and the Commonwealth Bank group's internal auditor ("Bank Auditor") will be invited to all meetings;
- (d) members of management or others will be invited to attend meetings and provide pertinent information as necessary;
- (e) the Audit Committee has the power to call attendees as required, including open access to management, auditors (external and internal) and the right to seek explanations and additional information;
- (f) senior management and the internal and external auditors have free and unfettered access to the Audit Committee, with the Bank Auditor having a direct reporting line to the Audit Committee, whilst maintaining an administrative reporting line to the Chief Financial Officer; and
- (g) the Audit Committee has the option, with the concurrence of the Chairman of the Board, to retain independent legal, accounting or other advisors to the extent the Committee considers necessary at the Bank's expense.

The duties and responsibilities of the Audit Committee include the following:

- (i) to review the Bank's full and half year statutory reporting and recommend it to the Board for approval;
- (ii) to oversee the internal control environment and convey the results of that oversight to the Board;
- (iii) to review the processes and controls that are used to reach the opinions provided in the regulatory certifications of the Chief Executive Officer and Chief Financial Officer, and management's report on internal control over financial reporting risks, including the disclosures made;
- (iv) to assess and obtain assurance over the processes and controls used to manage the Bank's reporting under APRA statutory reporting requirements;
- (v) to recommend the appointment, or if necessary, the removal of the external auditor to the Board for approval by the shareholders, and review and approve the external auditor's fee and terms of engagement;
- (vi) to oversee and appraise at least annually the independence, adequacy and effectiveness of the external and internal auditors (including the rotation of the external audit partner), and the scope and progress of their audit plans;
- (vii) to review and recommend to the Board for approval, for the purposes of the directors' report to be included in the annual financial report, the disclosure pertaining to non-audit services provided by or on behalf of the external auditor during the year to the Bank (including whether those services comply with the statutory auditor independence requirements and the reasons);

- (viii) to approve, on recommendation of the Bank's management, the appointment or dismissal of the Bank Auditor;
- (ix) to oversee and monitor the resolution of significant internal control deficiencies reported by the Bank Auditor and the external auditor;
- (x) to review reports from the Bank's management, summarising the outcomes from investigations pertaining to the Bank's Whistleblower Protection Policy, and oversee management's actions to investigate and address serious cases of fraud and unethical behaviour reported under that policy; and
- (xi) to consider significant issues raised at other Audit Committees in the Bank and respond as appropriate.

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

The Board of the Bank consists of 10 directors including the Chairman (who is a non-executive director), one executive director and 9 non-executive directors with wide financial and commercial knowledge and experience (the “Board”). The Board of the Bank has in place procedures to declare and manage any potential conflicts of interest, including between Directors’ duties to the Bank, and their private interests or other duties. These procedures provide that a Director with a potential conflict will not receive papers which may involve a potential conflict of interest and will not be present during the discussion or decision on any matter involving that conflict. Accordingly, there are no potential conflicts of interest between the private interests or other duties of the Directors and their duties to the Bank which are not managed in accordance with these procedures. The business address of the directors of the Bank is: Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia, 2000.

The members of the Board are:

### **Catherine Livingstone AO, Chairman**

Ms Livingstone has been a member of the Board since March 2016 and was appointed Chairman of the Bank in January 2017. She is Chairman of the Nominations Committee, a member of the Risk Committee, the Audit Committee and the Remuneration Committee.

Ms Livingstone is a highly respected company director with extensive business and finance experience across a broad range of industries and organisations. She is also a Chartered Accountant.

Prior to her appointment to the Board, Ms Livingstone’s executive career spanned more than 22 years, during which time she held general management and finance leadership roles, primarily in the medical devices sector and including six years as the Chief Executive Officer of Cochlear Limited.

Ms Livingstone was the former Chairman of Telstra Corporation Limited and of the CSIRO. She has served on the Boards of Macquarie Group Limited, Goodman Fielder Limited and Rural Press Limited and has contributed to the work of the Innovation and Productivity Council for the New South Wales Government. She was also the former President of the Business Council of Australia. In 2008, Ms Livingstone was awarded Officer of the Order of Australia.

Other Directorships and Interests: WorleyParsons Ltd, The George Institute for Global Health, Saluda Medical Pty Ltd, Chancellor of the University of Technology Sydney and the Australian Museum Trust (President).

Qualifications: BA (Accounting) (Hons), Fellow of Chartered Accountants Australia and New Zealand, Fellow of Australian Academy of Technological Sciences and Engineering, Fellow of the Australian Institute of Company Directors and Fellow of the Australian Academy of Science.

Ms Livingstone is a resident of New South Wales. Age 61

### **Ian M Narev, Managing Director and Chief Executive Officer**

Mr Narev has been a member of the Board since December 2011. He was appointed Managing Director and Chief Executive Officer on 1 December 2011.

Mr Narev joined the Group in May 2007. From then until January 2009, he was Group Head of Strategy, with responsibility for corporate strategy development, mergers and acquisitions and major cross business strategic initiatives.

From January 2009 until September 2011, Mr Narev was Group Executive, Business and Private Banking, one of the Group’s six operating divisions.

Prior to joining CBA, Mr Narev was a partner of McKinsey’s New York, Sydney and Auckland offices (1998 to 2007). He became a global partner in 2003, and from 2005 until his departure in 2007 was head of McKinsey’s New Zealand office. Prior to joining McKinsey, Mr Narev was a lawyer specialising in mergers and acquisitions.

Other Directorships and Interests: Sydney Theatre Company (Chairman), Business Council of Australia, Financial Markets Foundation for Children and Institute of International Finance.

Qualifications: BA LLB (Hons) (Auckland), LLM (Cantab), LLM (NYU).

Mr Narev is a resident of New South Wales. Age 50.

### **Launa K Inman**

Ms Inman has been a member of the Board since March 2011. She is a member of the Audit Committee and the Remuneration Committee.

She was Managing Director and Chief Executive Officer of Billabong International Limited from May 2012 until August 2013. Prior to this, she was Managing Director of Target Australia Pty Limited (2005 to 2011) and Managing Director of Officeworks (2004 to 2005).

She has significant international and Australian experience in retailing, wholesale, property and logistics, as well as extensive marketing experience in traditional, digital and social media channels.

Ms Inman was formerly a Director of Bellamy's Australia Ltd.

Other Directorships and Interests: Super Retail Group Ltd, Precinct Properties New Zealand Ltd, Virgin Australia Melbourne Fashion Festival and The Alannah and Madeline Foundation.

Qualifications: MCom, University of South Africa (UNISA), BCom (Hons) (UNISA), BCom (Economics and Accounting) (UNISA) and Australian Institute of Company Directors (Member).

Ms Inman is a resident of Victoria. Age 60.

### **Brian J Long**

Mr Long has been a member of the Board since September 2010. He is Chairman of the Audit Committee, a member of the Risk Committee and the Nominations Committee.

He retired as a partner of Ernst & Young on 30 June 2010. Until that time he was the Chairman of both the Ernst & Young Global Advisory Council and the Oceania Area Advisory Council. He was one of the firm's most experienced audit partners with over 30 years' experience in serving as audit signing partner on major Australian public companies including those in the financial services, property, insurance and media sectors.

Mr Long is currently a member of the NSW Court Consultation Committee as an appointee of the NSW Attorney General.

Other Directorships and Interests: Brambles Limited, Cantarella Bros Pty Ltd and a Member of the Council of the University of NSW.

Qualifications: Fellow of Chartered Accountants Australia and New Zealand.

Mr Long is a resident of New South Wales. Age 71.

### **Andrew M Mohl**

Mr Mohl has been a member of the Board since July 2008. He is a member of the Risk Committee and the Remuneration Committee.

He has over 35 years' financial services experience. He was Managing Director and Chief Executive Officer of AMP Limited from October 2002 until December 2007.

His previous roles at AMP included Managing Director, AMP Financial Services and Managing Director and Chief Investment Officer, AMP Asset Management.

He was a former Group Chief Economist, Chief Manager, Retail Banking and Managing Director, ANZ Funds Management at ANZ Banking Group. Mr Mohl commenced his career at the Reserve Bank of Australia where his roles included Senior Economist and Deputy Head of Research.

Other Directorships and Interests: Nil.

Qualifications: BEc (Hons), Monash.

Mr Mohl is a resident of New South Wales. Age 61.

### **Harrison H Young**

Mr Young has been a member of the Board since February 2007. He is a member of the Risk Committee, the Audit Committee and the Nominations Committee.

He was Chairman of NBN Co Limited from March 2010 until March 2013. Previously he was a Director and Member of the Financial Stability Committee of the Bank of England (2009 to 2012), Chairman of Morgan Stanley Australia (2003 to 2007) and Vice Chairman of Morgan Stanley Asia (1998 to 2003).

Prior to that, Mr Young spent two years in Beijing as Chief Executive Officer of China International Capital Corporation. From 1991 until 1994, he was a senior officer of the Federal Deposit Insurance Corporation in Washington.

Other Directorships and Interests: The Conversation Media Group Ltd.

Qualifications: A.B (Cum Laude), Harvard and LLD (Honoris Causa), Monash.

Mr Young is a resident of Victoria. Age 72.

### **Shirish Apte**

Mr Apte has been a member of the Board since June 2014. He is Chairman of the Risk Committee and a member of the Audit Committee.

He was Co-Chairman of Citi Asia Pacific Banking from January 2012 until January 2014. Previously he was Chief Executive Officer of Citi Asia Pacific (2009 to 2011), with responsibility for South Asia, including Australia, New Zealand, India and ASEAN countries.

He has more than 32 years' experience with Citi, including as CEO of Central & Eastern Europe, Middle East & Africa and, before that, as Country Manager and Deputy President of Citibank Handlowy, Poland, where he is now Vice Chairman of the Supervisory Board.

Mr Apte was formerly a Director of Crompton Greaves Ltd.

Other Directorships and Interests: IHH Healthcare Bhd, AIG Asia Pacific Pte Ltd, Clifford Capital Pte Ltd, Pierfront Capital Mezzanine Fund Pte Ltd (Chairman), Parkway Hospitals Singapore, Acibadem Hospital Group, Turkey and Supervisory Board of Citibank Handlowy, Poland.

Qualifications: Chartered Accountant, Institute of Chartered Accountants in England and Wales and Bachelor of Commerce (Calcutta), MBA (London Business School).

Mr Apte is a resident of Singapore. Age 64.

### **Sir David H Higgins**

Sir David Higgins has been a member of the Board since September 2014. He is Chairman of the Remuneration Committee and a member of the Risk Committee.

Sir David is Chairman of Gatwick Airport Limited, the company licensed to operate Gatwick Airport in the UK. He is also Chairman of High Speed Two (HS2) Ltd, the company responsible for developing and promoting the UK's new high speed rail network. Sir David is a senior advisor to Global Infrastructure Partners (US) and to Lone Star Funds. Prior to that, he was Chief Executive Officer of Network Rail Infrastructure Ltd which is involved in the maintenance and development of railway infrastructure throughout the UK.

From 2006 until 2011, he was Chief Executive Officer of the Olympic Delivery Authority where he oversaw the creation of the London 2012 Olympic Games venues, the Olympic Village and transport projects.

For the three years prior to 2005, he was Chief Executive Officer of English Partnerships, the UK Government's national housing and regeneration agency. In 1985, he joined Lend Lease, and was Managing Director and Chief Executive Officer of Lend Lease from 1995 until 2002.



Other Directorships and Interests: Gatwick Airport Ltd (Chairman) and High Speed Two (HS2) Ltd (Chairman).

Qualifications: Bachelor of Engineering (Civil), USyd, and Diploma, Securities Institute of Australia.

Sir David is a resident of London, United Kingdom. Age 62.

### **Wendy Stops**

Ms Stops has been a member of the Board since March 2015. She is a member of the Remuneration Committee.

Ms Stops was Senior Managing Director, Technology – Asia Pacific for Accenture Limited from 2012 until her retirement in June 2014. In this role she had responsibility for over 11,000 professional personnel spanning all industry groups and technology disciplines across 13 countries in Asia Pacific.

Other most recent senior leadership positions held prior to this time included Global Managing Director, Technology Quality & Risk Management (2009 to 2012), Global Managing Director, Outsourcing Quality & Risk Management (2008 to 2009) and Director of Operations, Asia Pacific (2006 to 2008).

She also served on Accenture's Global Leadership Council from 2008 until her retirement. Ms Stops career at Accenture spanned some 32 years.

Other Directorships and Interests: Board Member of Fitted For Work Ltd, Council Member of the University of Melbourne and Member of Chief Executive Women, serving on the Scholarships and Marketing & Communications Committees.

Qualifications: Bachelor of Applied Science (Information Technology) and Graduate Member of the Australian Institute of Company Directors.

Ms Stops is a resident of Victoria. Age 56.

### **Mary Padbury, Director**

Ms. Padbury has been a member of the Board since June 2016. She is a member of the Remuneration Committee.

Ms Padbury is a pre-eminent intellectual property lawyer with an Australian and international legal career spanning over 30 years. She is a partner and the Vice Chairman of Ashurst, having been the Chairman of Ashurst Australia for eight years prior to the firm's full merger with Ashurst LLP into an integrated global firm in 2013.

Earlier in her career, Ms Padbury spent a number of years in the United Kingdom with boutique firm, Bristows, and as resident partner of Ashurst Australia. She has undertaken intellectual property work for Australian and multinational corporations in a range of technology areas and has extensive international, legal and governance experience.

Other Directorships and Interests: Ashurst (Vice Chairman), Trans-Tasman IP Attorneys Board (Chair), the Macfarlane Burnet Institute for Medical Research and Public Health Ltd, Chief Executive Women, Melbourne University Law School Foundation, and Victorian Legal Admissions Board.

Qualifications: Bachelor of Laws (Hons) and Bachelor of Arts, University of Melbourne.

Ms Padbury is a resident of Victoria. Age 58.

## **Subscription and Sale**

The Dealers have in an Amended and Restated Programme Agreement dated 24 June 2015 (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the “Programme Agreement”) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement for any particular purchase will extend to those matters stated under “Form of the Notes” and “Conditions of the Notes” above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses. The Dealers are entitled to be released and discharged from their obligations in relation to any agreement to issue and purchase Notes under the Programme Agreement in certain circumstances prior to payment to the Issuer.

The selling restrictions agreed between the Issuer and the Dealers are set out in a Schedule of Selling Restrictions dated 3 July 2017 and are summarised below. The restrictions may be amended from time to time by agreement between the Issuer and the Dealers. The selling restrictions are as follows:

### **United States of America**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the “Securities Act”) or the securities laws of any state or jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bearer Notes are subject to U.S. federal tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

### **Prohibition of sales to EEA Retail Investors**

From 1 January 2018, unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Programme Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or

- (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prior to 1 January 2018, and from that date if the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Programme Circular as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
  - (B) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
  - (C) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,
- provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

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

### **United Kingdom**

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

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **The Grand Duchy of Luxembourg**

In addition to the cases described in the Public Offer Selling Restriction under the Prospectus Directive selling restrictions in which the Dealers can make an offer of Notes to the public in an EEA Member State (including the Grand Duchy of Luxembourg), the Dealers can also make an offer of Notes to the public in the Grand Duchy of Luxembourg:

- (a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;
- (b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and
- (c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10 July, 2005 on prospectuses for securities implementing the Prospectus Directive into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the Commission de surveillance du secteur financier as competent authority in Luxembourg in accordance with the Prospectus Directive.

## **Japan**

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

## **Australia**

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been or will be lodged with ASIC. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that in connection with the distribution of each Tranche of Notes it:

- (a) will not make (directly or indirectly) any offer or invitation in Australia or any offer or invitation which is received in Australia in relation to the issue, sale or purchase of any Notes; and
- (b) has not distributed or published, and will not distribute or publish, any information memorandum, advertisement, disclosure document or other offering material relating to the Notes in Australia,

unless (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 for the Notes or its foreign currency equivalent (in either case disregarding moneys, if any, lent by the Issuer or other person offering the Notes or its associates (within the meaning of those expressions in Part 6D.2 of the Corporations Act)), or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act, (ii) the offer or invitation is not made to a person who is a retail client (as defined in section 761G or 761GA of the Corporations Act), (iii) such action complies with all applicable laws, regulations and directives and (iv) such action does not require any document to be lodged or registered with ASIC.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, to offer Notes to be issued by the Issuer for sale in a manner which will allow payments of interest or amounts in the nature of interest on those Notes to be exempt from Australian withholding tax under section 128F of the

Australian Tax Act, as amended. In particular, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not sell Notes to any person if, at the time of sale the Dealer knew or had reasonable grounds to suspect that as a result of such sale, any Notes or an interest in any Notes was being, or would later be, acquired (directly or indirectly) by an Offshore Associate of the Issuer (other than one acting in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act).

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

For the avoidance of doubt, the selling restrictions immediately above concerning section 128F of the Australian Tax Act apply irrespective of the jurisdiction in which the Notes are being offered or sold.

### **New Zealand**

No action has been taken to permit the Notes to be offered or sold to any retail investor, or otherwise under any regulated offer, in terms of the Financial Markets Conduct Act 2013 of New Zealand (“FMCA”). In particular, no product disclosure statement under the FMCA has been or will be prepared or lodged in New Zealand in relation to the Notes.

Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Note in New Zealand and it will not distribute any offering memorandum or advertisement in relation to any offer of Notes, in New Zealand other than to “wholesale investors” as that term is defined in clauses 3(2)(a), (b), (c) and (d) of Schedule 1 to the FMCA, being:

- (a) a person who is:
  - (i) an “investment business”;
  - (ii) “large”; or
  - (iii) a “government agency”,in each case as defined in Schedule 1 to the FMCA; or
- (b) a person who meets the “investment activity criteria” specified in clause 38 of the Schedule 1 to the FMCA.

In addition, no person may distribute any offering material or advertisement (as defined in the FMCA) in relation to any offer of Notes in New Zealand other than to such persons as referred to in the paragraph above.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes to persons whom it believes to be:

- (a) persons who are resident in New Zealand for New Zealand income tax purposes; or
- (b) persons who carry on business in New Zealand through a fixed establishment (as defined for New Zealand income tax purposes) in New Zealand and hold the Notes for the purposes of a business carried on through that fixed establishment; or
- (c) a registered bank engaged in business through a fixed establishment in New Zealand,

unless such persons certify that they hold a valid certificate of exemption for New Zealand resident withholding tax purposes and provide a New Zealand tax file number to such Dealer (in which event the Dealer shall provide details thereof to the Issuer or to a Paying Agent).

## Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Programme Circular (including the applicable Final Terms) or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”) and Article 34-*ter*, first paragraph, letter b) of Commissione Nazionale per le Società e la Borsa (“CONSOB”) Regulation No. 11971 of 14 May 1999, as amended from time to time (“Regulation No. 11971”); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Programme Circular (including the applicable Final Terms) or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “Banking Act”); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

## Hong Kong

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

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “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 (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) 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, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

## Macau

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes have been or will be registered or otherwise authorised for public offer under the Financial System Act of Macau (Decree-Law no. 32/93M of July 5, 1993) (the “Financial System Act”) or promoted, distributed, sold or delivered in Macau, and no document relating to any Notes will be distributed or circulated in Macau, except by Macau licensed entities following notification to the Macau Monetary Authority and under the terms of, and in compliance with, the Financial System Act and any other laws, guidelines and recommendations in Macau that may apply from time to time to the offer and sale of any Notes in Macau.

## Republic of Korea

The Notes have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Markets Act (the “FSCMA”). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered (and will not offer, sell or deliver) any Notes, directly or indirectly, or offered or sold (and will not offer or sell) any Notes to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA, the Foreign Exchange Transaction Law and the decrees and regulations thereunder. Furthermore, the Notes may not be resold to Korean residents unless the purchaser of the Notes complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the Notes. The aggregate nominal amount of the Notes divided by the Specified Denomination, and the number of Notes offered in Korea or to a resident in Korea, shall in each case be less than 50.

By purchasing the Notes, each Noteholder will be deemed to represent, warrant and agree that for a period of one year from the issue date thereof, the Notes, may not be sub-divided into smaller denominations than the Specified Denomination.

## Singapore

This Programme Circular has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (“SFA”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Programme Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the SFA, (b) to a relevant person under 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 provisions of the SFA.

Where the Notes 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;
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the SFA except:

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

**The PRC**

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the PRC, except as permitted by the applicable laws or regulations of the PRC.

**Taiwan**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to be represent and agree that the offering of the Notes has not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in the Republic of China ("Taiwan") through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Notes in Taiwan.

**General**

No action (other than the approval of the Programme Circular as an approved prospectus for the purposes of Section 85 of the FSMA by the UK Listing Authority) has been taken by the Issuer or any of the Dealers that would, or is intended to, permit an offer of any Notes in any country or jurisdiction where any such action for that purpose is required.

Accordingly, each Dealer has undertaken and each further Dealer appointed under the Programme will be required to undertake that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

Without prejudice to the generality of the preceding paragraph each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as provided in the Programme Agreement, it will obtain any consent, approval or permission which is required for the offer, purchase or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will comply with all such laws and regulations.



## **General Information**

### **1 Admission of the Notes to the Official List**

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading by the London Stock Exchange will be admitted separately as and when issued, subject only to the issue of a global Note or Notes representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of such Notes is expected to be granted on or around 6 July 2017.

### **2 Authorisation**

The establishment of the Programme was authorised by the Managing Director of the Issuer. The increase of the size of the Programme to its present limit of U.S.\$70,000,000,000 was authorised by the Chief Financial Officer of the Issuer.

### **3 Consents**

No authorisations, consents or approvals are required by the Issuer from government agencies or other official bodies in Australia in connection with the creation of the Programme, the issue of any Notes thereunder or the execution and delivery (where applicable) of the Programme Agreement the Agency Agreement and the Deed of Covenant or the performance by the Issuer of its obligations thereunder save for the obtaining, where necessary, of approval from the Reserve Bank of Australia or other regulatory body in respect of payments on any of the Notes if such payments are made outside the Commonwealth of Australia.

### **4 Litigation**

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months immediately preceding the date of this Programme Circular which may have or have had in the recent past a significant effect on the financial position or profitability of the Issuer and its subsidiaries, taken as a whole.

### **5 Significant or Material Change**

There has been no significant change in the financial position of the Issuer and its subsidiaries, taken as a whole, since the date of its unaudited financial statements prepared to 31 December 2016 and there has been no material adverse change in the prospects of the Issuer and its subsidiaries, taken as a whole, since the date of its audited financial statements prepared to 30 June 2016.

### **6 Audited Financial Statements**

The Issuer's consolidated financial statements for the years ended 30 June 2015 and 30 June 2016 were audited, without qualification, by PricewaterhouseCoopers, Chartered Accountants, of One International Towers Sydney, Watermans Quay, Barangaroo NSW 2000, Australia. The auditors of the Issuer have no material interest in the Issuer.

### **7 Euroclear and Clearstream, Luxembourg**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be contained in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg, is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

## **8 Documents Available for Inspection**

Copies of the following documents may be inspected during usual business hours on any business day at the offices of Commonwealth Bank of Australia and at the offices of any Paying Agent in the United Kingdom for so long as the Programme remains in existence:

- (i) the Constitution of the Issuer;
- (ii) the Commonwealth Banks Act 1959, as amended, the Commonwealth Banks Amendment Act 1984, the Commonwealth Banks Amendment Act 1985, the Commonwealth Banks Amendment Act 1987, the Commonwealth Banks Restructuring Act 1990, the State Bank (Succession of Commonwealth Bank) Act 1990, the Commonwealth Banks Amendment Act 1993, the Commonwealth Bank Sale Act 1995;
- (iii) the Agency Agreement, the Deed of Covenant and the forms of the Notes, Coupons and Talons;
- (iv) this Programme Circular, any supplementary listing particulars published and each Pricing Supplement relating to Notes admitted to the Official List;
- (v) the terms and conditions of the notes contained in the Programme Circulars prepared by ASB Finance Limited, ASB Bank Limited and the Issuer dated 26 September 2001, pages 17 to 36 (inclusive); 26 September 2002, pages 17 to 37 (inclusive); 26 September 2003, pages 17 to 37 (inclusive); 1 June 2004, pages 18 to 38 (inclusive); 21 October 2004, pages 20 to 43 (inclusive); 2 March 2005, pages 20 to 43 (inclusive); 14 October 2005, pages 30 to 54 (inclusive); 13 October 2006, pages 32 to 56 (inclusive); 15 October 2007, pages 47 to 71 (inclusive); 16 October 2008, pages 50 to 75 (inclusive); and 16 October 2009, pages 62 to 87 (inclusive); 14 October 2010, pages 58 to 92 (inclusive), 13 October 2011, pages 62 to 97 (inclusive) and 20 June 2012, pages 65 to 100 (inclusive);
- (vi) the terms and conditions of the notes contained in the Programme Circulars prepared by the Issuer dated 19 June 2013, pages 59 to 84 (inclusive), 24 June 2014, pages 61 to 86 (inclusive), 24 June 2015, pages 36 to 64 (inclusive) and 24 June 2016 pages 34 to 62 (inclusive);
- (vii) the auditors' reports and audited consolidated and non-consolidated annual financial statements for the financial years ended 30 June 2016 (contained in the Annual Report 2016) and 30 June 2015 (contained in the Annual Report 2015) of the Issuer; and
- (viii) the Profit Announcement.

## **9 Australian Taxation**

The following is a summary of the Australian taxation treatment, at the date of this Programme Circular, of payments of interest on Notes and certain other matters. It is not exhaustive and does not deal with the position of certain classes of holders of a Note (such as dealers in securities). Prospective holders of Notes should be aware that the particular terms of issue of any series of Notes may affect the tax treatment of that and other series of Notes. The following is a general guide and should be treated with appropriate caution. Holders of Notes who are in any doubt as to their tax position should consult their professional advisers.

References to 'interest' include amounts in the nature of or in substitution for interest.

The requirements for obtaining an exemption from Australian interest withholding tax set out in section 128F of the Australian Tax Act include:

- (i) the issuer must be a resident of Australia when it issues the Notes and when interest is paid;
- (ii) the issue of the Notes must satisfy a public offer test containing five basic alternatives designed to ensure that lenders in capital markets are aware that the issuer is offering Notes for issue.

Where practicable, the Issuer intends to issue Notes in a manner which will satisfy these requirements.

#### *The public offer test*

In summary, the alternatives to satisfy the public offer test are:

- (i) offers to 10 or more professional market financiers, investors or dealers who are not associates of each other;
- (ii) offers to 100 or more potential investors;
- (iii) offers of listed Notes;
- (iv) offers as a result of negotiations being initiated via electronic or other market sources; or
- (v) offers to dealers, managers or underwriters who by agreement with the issuer offer the Notes for sale within 30 days by one of the preceding methods.

The issue of a Global Note by one of these methods will satisfy the public offer test.

#### *Associates of issuer*

The public offer test will not be satisfied if, at the time of issue, the issuer knew or had reasonable grounds to suspect that the Notes, or an interest in the Notes, was being, or would later be, acquired either directly or indirectly by an Offshore Associate of the issuer (other than one acting in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme (within the meaning of the Corporations Act)).

Moreover, the section 128F exemption will not be available if, at the time of payment, the issuer knows or has reasonable grounds to suspect that interest in respect of a Note is to be paid to an Offshore Associate of the issuer other than one receiving the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme. The Conditions of the Notes provide that in these circumstances the Issuer will not be required to gross up interest payments.

#### **ACCORDINGLY, NOTES MUST NOT BE PURCHASED BY OFFSHORE ASSOCIATES OF THE ISSUER OTHER THAN THOSE ACTING IN THE PERMITTED CAPACITIES DESCRIBED ABOVE**

As a result of the issue of Global Notes, rights conferred by Euroclear or Clearstream, Luxembourg in relation to the Notes will be created in favour of the Noteholders.

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 45 per cent. on the payment of interest on bearer notes (other than certain zero coupon promissory notes) if the issuer fails to disclose the names and addresses of the holders to the Australian Taxation Office. Section 126 does not apply to the payment of interest on notes held by non-residents who do not carry on business at or through a permanent establishment in Australia where the issue of those notes satisfied the requirements of section 128F of the Australian Tax Act or interest withholding tax is payable. However, the operation of section 126 in relation to notes held in some circumstances is unclear.

The Commissioner of Taxation of the Commonwealth of Australia may give a direction under section 255 of the Australian Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 or any similar provision requiring the issuer to deduct from any payment to any other party (including any holder of Notes) any amount in respect of tax payable by that other party.

The Income Tax Assessment Act 1997 of the Commonwealth of Australia contains provisions governing the taxation of financial arrangements (referred to as “the TOFA regime”) which may apply to the Notes. However, the law that governed the taxation of financial arrangements before the introduction of the TOFA regime will continue to apply to Notes held by taxpayers that are not subject to the TOFA regime because they do not meet certain threshold requirements. In any case, the TOFA regime does not contain any measures that override the exemption from Australian interest withholding tax available under section 128F of the Australian Tax Act in respect of interest payable on the Notes.

## **10 The Proposed Financial Transactions Tax**

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common financial transactions tax (“FTT”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 are expected to be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## **11 Foreign Account Tax Compliance Withholding**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” (as defined by FATCA) may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is classified as a foreign financial institution. A number of jurisdictions (including Australia) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described under “*Terms and Conditions—Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

The impact of FATCA for Australian financial institutions will also depend on associated guidance issued by the Australian Taxation Office. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

## **12 Common Reporting Standard**

The Organisation for Economic Co-operation and Development Standard for Automatic Exchange of Financial Account Information (“CRS”) will require certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a competent authority agreement may provide this information to other jurisdictions that have signed a competent authority agreement.

Prospective investors should consult their tax advisers on how the CRS may apply to such investor.

## **13 Post-issuance information**

Save as set out in the Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

## **14 Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer’s affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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